ANNUAL REPORT

Powering Growth Through Digital

ooredoo

بسم الله الرحمن الرحيم

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

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

Our Vision

Enriching people's digital lives

Contents

Our outstanding network strength has positioned us as the leader for innovative digital solutions across our markets.

H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani

Chairman

Chairman's Message

Enabling digital transformation

Dear Shareholders,

In 2019, Ooredoo continued to pursue an ambitious strategy of digital transformation, deploying new network technology to enhance the digital lives of our customers and to significantly enhance our own operations.

Digital transformation enables consumers to access the services they want faster and enjoy a better experience online. For our corporate customers, it supports greater efficiencies and the introduction of new services. In addition, digital transformation provides the foundation for many of the ambitious knowledge-led social initiatives that government and community organisations are pursuing across our markets.

In 2019, we continued to make good progress on the execution of our digital strategy, enabling us to deliver the positive results that you will see in this report.

We continued to build the network foundation that will enable Ooredoo to support the next generation of digital services, including testing, introducing and enhancing 5G services in key markets and boosting fibre-based services in selected geographies.

Importantly, we also aligned our external digital transformation strategy with an internal change programme, looking to digitise core functions such as sales, marketing and customer care to make it easier for customers to find, buy and use our services online. This programme has delivered stronger customer engagement across our footprint, in parallel with significant efficiency savings that supported EBITDA growth in 2019.

Beyond serving people better, our focus on digital transformation has enabled Ooredoo to mitigate some of the challenges facing the fast-evolving telecommunications sector. As smart devices have taken on ever-increasing relevance for every aspect of our customers' lives, there has been a continued shift away from traditional voice and SMS services. By becoming the preferred provider of digital services, we are staying ahead of market demand and opening important new data and business revenue streams to counterbalance the fall in demand for these traditional services.

Delivering returns and preparing for the future

The focus on digital and data leadership delivered positive returns for Ooredoo in 2019.

Group Revenue was stable at 29.9 billion, in spite of the industry wide shift from voice to data consumption, a reduction in handset sales as well as macroeconomic and currency weakness in some of our markets.

FY 2019 Group EBITDA increased by 5% year-on-year to QR 12.8 billion, with a corresponding EBITDA margin of 43%, driven by the company's group-wide efficiency programme.

Group Net Profit attributable to Ooredoo shareholders increased by 10% to QR 1.7 billion in 2019, compared to the same period last year (FY 2018: QR 1.6 billion). Growth was driven by an increase in EBITDA and a more favourable exchange rate environment.

Data revenue increased to more than 50% of Group revenue, an important milestone for a telecommunications company that continues to evolve and develop.

Driving the digital growth of sales and services

Starting with the network foundation, Ooredoo continued to invest in the technology and infrastructure necessary to enable and sustain digital transformation.

In Qatar, this included ongoing expansion of 5G capability, enabling the world's first international 5G video call between Qatar and Kuwait at the beginning of 2019. Kuwait saw the commercial launch of 5G services in June 2019, while testing and preparation for 5G continued in Oman, with the upgrade of Massive Multiple-input and Multiple-Output (Massive MiMO) technology, a key component for 5G, to increase its network capacity to provide reliable and secure connectivity.

Digital innovation also enabled the launch of a number of new services, including ANA Kuwait, the first completely customisable mobile plan in the country; My Ooredoo App for Myanmar, and digital care campaigns for Oman and Qatar. It also supported the launch of new partnerships, such as a number of OTT video services for Asian markets and the extension of Apple and Google carrier billing in Qatar, Oman, Kuwait and Indonesia.

Importantly, digital innovation also supported our wider aspirations for community support and corporate social responsibility. This included a pioneering national partnership for the IAAF World Athletics Championships Doha 2019, providing the network foundations for one of the largest sporting events ever held in the region. It also supported Ooredoo Myanmar's collaboration with Google and the Ministry of Education on a nationwide digital literacy and digital citizenship training programme, among other initiatives.

Pursuing a prudent path for financial stability

Alongside the investment in digital innovation, Ooredoo continued to review the assets in our portfolio to ensure that we are achieving the highest levels of efficiency and effectiveness to ensure the strongest return for shareholders.

One of the most impactful examples of this approach was Indosat Ooredoo's Sales and Leaseback Agreements with the winning bidders of a competitive tender process for the sale of a batch of 3,100 telecommunications towers. By monetising some non-core assets at a fair valuation, Indosat Ooredoo has been able to unlock the value of a portion of its tower portfolio, which in turn supports investment in other mission-critical parts of the business.

Ooredoo pursued a clear-eyed strategy with regards to its leadership resources as well, promoting and recruiting new leaders where they would deliver the best value. This included the appointments of Ahmad Abdulaziz Al Neama as the new Chief Executive Officer at Indosat Ooredoo in April, Rajeev Sethi as Chief Executive Officer of Ooredoo Myanmar in May and Mansoor Rashid Al-Khater as the new Chief Executive Officer of Ooredoo Tunisia in November.

Reflecting confidence in our commitment to capital discipline, well-respected rating agencies including Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings continued to assign strong credit profiles to Ooredoo through 2019.

Dividends

The Ooredoo Board has approved a sustainable and progressive dividend policy for the company, aiming for a dividend pay-out ratio to be in the range of 40% to 60% of normalised earnings.

The Board recommends to the General Assembly the distribution of a cash dividend of QR 0.25 per share.

The Board and Governance

I offer Ooredoo's sincere gratitude and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, for another year of wise leadership and empowering support. As a proud Qatari company, Ooredoo strives to support the national vision as we move forward as a united, progressive nation.

I would also like to thank the Board Members for their contribution to Ooredoo's success in 2019. The ongoing success of our future-facing digitisation strategy is due to the insight and guidance of our Board.

We thank once again our customers, our employees and our shareholders; their engagement strengthens the ongoing growth of Ooredoo.

In conclusion, the strength of our network, success in digitising our core and clear-sighted strategy for the future are three reasons we are confident of continued success in 2020. We thank all our stakeholders for their continued support.

Abdulla Bin Mohammed Bin Saud Al Thani
Chairman

13 February 2020

Group CEO's Message

Smart strategy for digital growth

Dear Shareholders,

When I look back over Ooredoo's achievements in recent years, I am proud of the transformative impact that our team has delivered to so many customers across our global footprint.

To offer just a few examples: Ooredoo Qatar was the first company in the world to launch 5G services, bringing the next generation of mobile internet to consumers, businesses and major venues. In addition, Qatar achieved the fastest-ever roll-out of gigabit fibre, leading to the highest fibre penetration per household in the world.

We continued to be a pioneer in emerging markets, becoming the first company in Algeria to offer 4G services to all 48 wilayas (provinces), building the fastest mobile network in Myanmar and launching 3G services in the West Bank, Palestine. In every market, Ooredoo has demonstrated our willingness to make the capital investment and deploy the leadership resources necessary to offer a superior network for our customers and sustain long-term growth.

In parallel with this network innovation, we have also transformed our business to focus on data and online services. Recognising the seismic changes happening across our industry, Ooredoo has successfully repositioned our commercial offering so that more than 50 percent of Group revenues now come from data – an important milestone for a telecommunications company that continues to evolve and develop.

Ooredoo was able to accomplish this – even in the face of intense competition and regulatory challenges – because of three key attributes: our market leadership, which sees us provide the most advanced data networks; our performance culture, which enables us to stay agile and respond to market pressures; and our efficient business models, which ensure we manage costs and stay streamlined even as we invest in the future. In 2019, these key attributes enabled our company to pursue the ambitious goal of becoming the preferred digital enabler and digital partner across our markets. In this message, I will outline how we intend to build upon these strengths to achieve our digital ambitions.

A Clear Strategy for Growth

One of Ooredoo's long-standing advantages is our balanced portfolio of operations, which sees the company maintain leadership in a unique mix of emerging and mature markets. Our entrance into and success across these markets, driven by the strategic imperative to expand outside of Qatar, were enabled by a competitive cost of funding and lean cost structure from which we still benefit today.

Achieving leadership positions in these markets provided us with a vantage point to recognise the significant changes that were occurring in the telecommunications sector. Specifically, that growth was slowing in traditional services and that digital transformation provided the clearest path to success in a mobile-first world.

In addition, we recognised that, by pursuing a digital agenda, we would be able to deploy mobile technology as a tool to realise positive social and economic change for our customers and the communities that we serve.

These twin dynamics motivated Ooredoo to develop LEAD 2.0, our strategy to achieve our digital ambitions. This strategy relies on digitisation to drive growth across all Ooredoo's markets, with a focus on positioning the company as a preferred digital partner with digital operations and digital interactions.

Our strategy builds upon our established strengths – market leadership, performance culture and efficient models – and adds the fourth element of 'extend and leverage,' which is the drive to build new content partnerships, embrace B2B opportunities and enhance connectivity.

To support this strategic repositioning, Ooredoo launched a series of Group-wide transformation initiatives designed to digitise our core in 2019, including ongoing efforts to streamline and improve key processes through digitisation. In particular, we are increasing investment in digital marketing, to enhance overall advertising spending efficiency; increasing investment in digital sales, to enhance customer acquisition efficiency; and working to increase digital care usage, to enhance customer loyalty and satisfaction and reduce costs.

Aligning our Brand with our Digital Promise

One of our key assets in our growth and development continues to be the Ooredoo brand, which represents our commitment to digital transformation. In 2019, leading consultancy Brand Finance noted that Ooredoo had moved up to 41st place in the global top 50 telecommunication ranking, with a brand value of USD3.78 billion.

Importantly, we have now extended the Ooredoo brand across our markets and integrated our Group values within all our operations. Each operation starts each day asking how our employees can follow our core values of Caring, Connecting and Challenging in order to serve our customers, and in doing so deliver the best possible online experience.

In line with our digital transformation strategy, our operating companies are working hard to be 'Digital Enablers' that empower our customers through digital services. We have integrated digital targets across our operations to support this strategic pillar, including short- and long-term targets for the development of digital care and digital service, and provided training resources so that all employees are digitally skilled.

This focus on digital motivated our different operating companies to develop new services that brought our brand promise to life and brought Ooredoo closer to its customers in 2019.

For example, Ooredoo Kuwait introduced 'ANA', the country's first completely customisable digital mobile plan. Ooredoo Qatar launched 'Ooredoo Sports,' a conversational Artificial Intelligence (AI) platform offering a new level of engagement for sports fans in the country, while Ooredoo Oman launched new features in its

> Looking ahead to 2020 and beyond, we are well-placed to achieve our ambitious digital strategy, and will effectively manage costs to sustain market leadership and deliver long-term shareholder value generation.
>
> **Sheikh Saud Bin Nasser Al Thani**
> Group CEO

app through an AI-powered chatbot that has become increasingly popular.

In Indonesia, Indosat Ooredoo launched an online SIM-selling service via its 'MyIM3' app, which delivered immediate results as an effective customer acquisition tool. Ooredoo Maldives launched the nation's first e-commerce marketplace, 'Moolee', in 2019.

Overall, the alignment between our brand and the promise of digital services is boosting engagement with customer and employees. This will help ensure sustainable returns for our shareholders.

Recognising the Untapped Potential of Business through Digital Services

Digital transformation has also provided significant opportunities for new revenue growth. The B2B segment offers a material growth opportunity across our markets, and 2019 saw numerous examples of operating companies deploying digital solutions for the largest enterprises and the leanest small businesses.

In Oman, the pioneering Ooredoo B2B App was the first of its kind in the country, enabling businesses to manage bundles and add-ons for their employees, while enabling individual employees to view accounts and access services.

On an enterprise level, Ooredoo Qatar continued to expand its range of Internet of Things (IoT) services, launching new lines of single SIMs for individual IoT devices in 2019. Building on progress already made, Ooredoo Myanmar also launched the country's first IOT service, a platform which will allow customers to build customised solutions to streamline and govern their operations on a real-time basis.

These new services are supported by our broader approach of partnering with governmental and national commercial organisations to enable more businesses to access digital services.

Looking to The Future

Looking ahead to 2020 and beyond, Ooredoo is well-placed to achieve our ambitious digital strategy and will effectively manage costs to sustain market leadership and long-term shareholder value generation.

We believe Ooredoo has taken the necessary steps to thrive as the telecommunications industry as a whole transitions towards a more digital model. Our investment in superior network quality across our footprint, supported by a clear digital strategy, provides Ooredoo with the technological leadership to thrive and grow.

An area that is particularly close to my heart, where we believe Ooredoo has the potential to excel, is in the provision of smart stadium solutions and services. Already in 2019, Ooredoo provided the network foundations for one of the largest sporting events ever held in the region, the IAAF World Athletics Championships Doha 2019. This experience provides us with a positive springboard to contribute to major events across our markets in the coming years.

I would like to join our Chairman in thanking His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, for his inspiration. I would also like to thank the Board, our shareholders, our employees and our customers for their support and engagement as we work to embrace the opportunities of the digital future.

Saud Bin Nasser Al Thani
Group CEO

13 February 2020

Meet the Board of Directors

H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani
Chairman

H.E. Sheikh Abdulla bin Mohammed bin Saud Al Thani is Minister of State and Chairman of the Board of Directors of Ooredoo, a position he has held since 2005. During this time, he was instrumental in the restructuring and regional expansion of Ooredoo, steering the company's growth from a single-nation telecom operator to a group operating in 10 countries spanning North Africa, the Middle East and Southeast Asia.

In parallel with his role at Ooredoo, Sheikh Abdulla was Chief Executive Officer of Qatar Investment Authority and a Member of the Supreme Council for Economic Affairs and Investment from 2014 to 2018. Taking the helm of one of the world's largest sovereign wealth funds, he played a major role in steering the fund towards diversifying its portfolio and increasing its exposure to Asia and North America. Sheikh Abdulla was also Vice Chairman of the Board of QNB, Chairman of the Board of Harrods, and a Board member of the Sovereign Wealth Fund Institute.

His Excellency has previously served on the ITU Broadband Commission for Digital Development, the World Bank Group Advisory Council for Gender and Development, and the Advisory Board of the World Economic Forum's Gender Parity Programme.

Prior to joining Ooredoo, H.E. Sheikh Abdulla was Chief of the Royal Court (Amiri Diwan), and member of the Planning Council, from 2000 to 2005. He was also the Founding Chairman of the Board of Trustees for the North Atlantic College in Qatar from 2001 to 2006, and Military Attaché to the United Kingdom from 1999 to 2000.

H.E. Sheikh Abdulla is a pilot graduate from the British Army Air Corps, as well as a certified pilot instructor by way of the British Royal Air Force. His Excellency also holds a master's degree in military science and has completed a number of programmes at various military institutions, among them the Army War College in the USA.

H.E. Mr. Ali Shareef Al Emadi
Deputy Chairman

H.E. Mr. Ali Shareef Al Emadi joined Ooredoo's Board of Directors in March 1999. Since 2013, he has been the Minister of Finance for the State of Qatar. He also holds a number of leadership positions, including Secretary-General of the Supreme Council for Economic Affairs and Investment and Member of the Supreme Committee for Delivery and Legacy. H.E. Mr Al Emadi enriches the Ooredoo Board of Directors with his wide and in-depth experience which extends over more than 25 years in the financial and banking sector.

H.E. Mr. Mohammed Bin Issa Al Mohannadi
Member

H.E. Mr. Mohammed Bin Issa Al Mohannadi joined the Board in July 2000. He currently serves on the Boards of a number of Qatari companies and has held many prominent positions, including previous roles as Chief Financial Officer of the Royal Court (Amiri Diwan) and State Minister. His Excellency's considerable experience in - and knowledge of - administration, finance and government supports the decisions taken by the Ooredoo Board.

H.E. Mr. Turki Mohammed Al Khater
Member

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

Mr. Abdulla Mubarak Al-Khalifa
Member

Mr. Abdulla Mubarak Al-Khalifa who joined the Board in 2018, is Acting Group Chief Executive Officer of QNB. Prior to his current position, he was Executive General Manager – Chief Business Officer at QNB. He holds a bachelor's degree in business administration from Easter Washington University in the USA, 1995. He brings strong business, finance and strategic planning experience to the Board.

Dr. Nasser Mohammed Marafih
Member and Advisor of the Board's Chairman

Dr. Nasser Mohammed Marafih has extensive experience in the telecommunications sector having joined Ooredoo in 1994 (under its earlier brand of 'QTel'). As Director – Strategic Planning, he was instrumental in the launch of GSM services in 1994, the introduction of the internet in 1996 and the privatisation of Ooredoo in 1999. Dr. Nasser served as CEO of Ooredoo from 2001 until 2015, spearheading global growth across the Middle East, North Africa and Southeast Asia. He currently serves on the board of Ooredoo Group, as well as maintaining a position on the boards of the United Nations Broadband Commission for Sustainable Development and the GSM Mobile for Development Foundation.

Mr. Nasser Rashid Al Humaidi
Member

Mr. Nasser Rashid Al Humaidi, who joined the Board in 2011, is Group Chief Operating Officer for Digital at Barwa Bank. Prior to his current position, he held various management and business technologies roles in multi-industry sectors including utilities, telecoms, oil and gas, real estate and banking, and contributed to national steering committees. This diverse background brings a wealth of experience that contributes significantly to the Ooredoo Board.

Mr. Aziz Aluthman Fakhroo
Member

Mr. Aziz Aluthman Fakhroo, who joined the Board in 2011, is currently Deputy Undersecretary for Financial Affairs of the Ministry of Finance. Previously, he was Assistant Undersecretary for General Budget Affairs of the Ministry of Finance and Deputy Director in the Mergers and Acquisitions Department of Qatar Holding LLC - the strategic and direct investments arm of the Qatar Investment Authority. Previously he was founder and Chief Operating Officer of Idealys. He currently represents Qatar Holding on the boards of United Arab Shipping Company, Canary Wharf Group, and Chelsfield LLP. He brings a strong business background and deep understanding of technology to the Board.

H.E. Sheikh Ali Bin Ghanim Bin Ali Abdullah Al Thani
Member

H.E. Sheikh Ali Bin Ghanim Bin Ali Abdullah Al Thani joined Ooredoo's Board of Directors in 2018. He is the owner and Chairman of Ali Bin Ghanim Al Thani Group. He currently serves on the Boards of several Qatari companies, including Qatar Islamic Bank, Doha Insurance Group, and the Centre for Arab Unity Studies. His Excellency's experience in business adds substantial value to the Ooredoo Board.

Mr. Ibrahim Abdullah Al Mahmoud
Member

Mr. Ibrahim Abdullah Al Mahmoud joined Ooredoo's Board in March 2014. He has held board-level positions with a number of insurance companies and in academic organisations, including Qatar Foundation for Education, Science and Community Development and Calgary University in Qatar.

Operational and Financial Highlights

Delivering a robust performance

Ooredoo produced favourable results in 2019, with positive financial and operational performance across its markets.

The company successfully implemented its digital strategy throughout the year, with its customer base reaching a total of 117 million by year-end 2019.

A recognised data experience leader, Ooredoo has successfully launched 5G services in Qatar and Kuwait and provides 4G networks in eight out of 10 operations.

Revenue

Amount in QR millions

29,916

2019	29,916
2018	29,927
2017	32,646
2016	32,503
2015	32,161

Dividend per Share

Amount in QR (Note A)

0.25

2019	0.25
2018	0.25
2017	0.35
2016	0.35
2015	0.30

Net profit attributable to Ooredoo shareholders

Amount in QR millions

1,725

2019	1,725
2018	1,565
2017	1,897
2016	2,193
2015	2,118

Earnings per share

Amount in QR

0.54

2019	0.54
2018	0.49
2017	0.59
2016	0.68
2015	0.66

EBITDA & EBITDA margin (%)

Amount in QR millions

12,847

2019	43%	12,847
2018	41%	12,202
2017	42%	13,640
2016	41%	13,379
2015	40%	13,018

Capital Expenditure & CAPEX/ Revenue %

Amount in QR millions (Note B)

5,869

2019	20%	5,869
2018	16%	4,872
2017	14%	4,541
2016	18%	5,982
2015	27%	8,762

Note A - 2019 represents proposed dividend.
Note B - Capital expenditure does not include licence cost

Our Assets

Our People

16,717 employees across the world

Our Customer Base

Number in millions

117 customers in 10 markets in Middle East, North Africa and Southeast Asia

Our Brand Equity

Value in USD billions

3.78 A powerful brand with strong customer loyalty: ranked 41st in the Brand Finance Top 50 telecommunications brands

(Source: Brand Finance report 2019)

Our Customer Experience

Fastest networks and best digital experience

Our Financial Assets

Amount in QR millions

29,105 Significant equity

Amount in QR millions

24,975 Moderate net financial debt

Our Reach

Headquartered in Doha, Qatar, Ooredoo is a global telecommunications company with a consolidated global customer base of more than 117 million, as at 31 December 2019. Its operating network extends across 10 markets in the Middle East, North Africa and Southeast Asia.

Customer base up by 2% to 117 million

Middle East
Ooredoo Group's operations in the Middle East region comprise Ooredoo Qatar, Ooredoo Oman, Ooredoo Kuwait, Asiacell Iraq and Ooredoo Palestine. Ooredoo continued to build its network leadership in the region in 2019, with the commercial launch of 5G in Kuwait, the world's first successful international first 5G video call between Qatar and Kuwait, and strong progress towards the commercial launch of 5G in Oman. Ooredoo Palestine's reach extended across 97% of the population by the end of the year, confirming its position as mobile data market leader.

Middle East customers
24.1 million

North Africa
Ooredoo's operations in North Africa comprise Ooredoo Algeria and Ooredoo Tunisia, markets which both experienced positive development in 2019. Ooredoo Tunisia achieved 43% of the overall market share and more than 66% of the 4G market, while Ooredoo Algeria became the first mobile operator in the country to cover all 48 wilayas with 4G technology.

North Africa customers
21.7 million

Southeast Asia
Ooredoo's operations in Southeast Asia comprise Indosat Ooredoo in Indonesia, Ooredoo Maldives and Ooredoo Myanmar. Indosat Ooredoo improved network coverage and customers' online experience during the year, delivering double-digit growth, while Ooredoo Maldives expanded its Supernet broadband services to cover 65% of the population, and Ooredoo Myanmar added 1,300 4G LTE sites across the country.

Southeast Asia customers
71.2 million

	Ooredoo effective stake	Country population	Mobile penetration	Market share
Middle East				
Qatar[1]	100.0%	2.7 m	172%	63%
Kuwait[2]	92.1%	4.6 m	159%	35%
Oman	55.0%	4.7 m	137%	41%
Iraq	64.1%	37.9 m	94%	37%
Palestine[2]	45.4%	5.0 m	87%	30%
North Africa				
Algeria[2,4]	74.4%	43.0 m	100%	33%
Tunisia[2,5]	84.1%	11.7 m	126%	43%
Southeast Asia				
Indonesia	65.0%	266.9 m	107%	21%
Myanmar	100.0%	54.2 m	127%	17%
The Maldives[2,3]	83.3%	0.4 m	187%	48%

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

Supercharging our strategy

Ooredoo has evolved its vision to **'Enriching people's digital lives'** to reflect its aspiration to continue to exceed the needs and expectations of consumer, business and governmental customers across its markets by delivering superior products, services and customer experiences in the Digital Age.

This new vision has been successfully implemented across all 10 operating companies and communicated to all employees. Our **Group values – Caring, Connecting, Challenging**, were also extended to all 10 operating companies, and communicated to all group employees.

Ooredoo Group and OpCo Values

WHAT IT MEANS	Caring	Connecting	Challenging
For our customers	• Simple & transparent • Respond quickly • Show concern & respect	• Access to your community • Delivering relevant services • Reliable and trustworthy	• Leading change and innovation • Passion to be the best • Youthful spirit
For our employees	• Be engaged • Take ownership • Help each other	• Work as one team • Think like a customer • Be open and friendly	• Make a difference • Go the extra mile • Be persistent

As part of its vision, Ooredoo aims to digitally transform its business, so that its operating companies become **'Digital Enablers'** and move beyond traditional telecom products and services by enabling digital services through partnerships with ICT and digital players.

To support this goal, Ooredoo's long-term **LEAD Strategy** was updated to include specific priorities below each pillar to deliver on Ooredoo's digital aspirations, and to add a fourth pillar – **'Extend and Leverage'** to reflect its diversification priorities.

Diversification in the Digital Age

Market Leader

- Smarter distribution
- Leading data networks
- Align with Over-The-Top providers, Original Equipment Manufacturers in-market

Preferred digital partner

Performance Culture

- Radical culture transformation
- Lean & agile
- Digitally skilled employees

Preferred digital partner

Efficient Models

- Organisational efficiencies
- Advanced analytics
- Re-engineered cost models
- Group efficiencies

Preferred digital partner

Extend and Leverage

- Opportunistic expansion opportunities
- Connectivity
- Consumer content
- Business-to-business or ICT solutions

Growth > Market **ROCE > WACC** > **Value Creation** (Free Cash Flow + ROCE)

LEAD 2.0 was successfully adopted and implemented across all 10 Operating Companies, and communicated to all employees, providing **a fully aligned Strategy, a fully aligned Vision, and a fully aligned set of Values.**

Our Strategy

Digital Transformation Programme

In 2019, to achieve the goals of the LEAD 2.0 strategy, Ooredoo embarked on a significant programme of digital transformation.

The first focus was to digitise the core to drive digital sales, marketing and care.

Objective: Make it easier to find, buy and use Ooredoo services online

- Drive digital sales, marketing and care
- Increase online SIM sales to acquire new subscribers and lower costs.
- Boost upsell through our apps, grow revenue and reduce commission and other costs.
- Provide care via our apps for higher customer satisfaction and lower cost.

Objective: New digital revenues from partnerships

- Continue to grow additional revenues from non-core digital services (e.g. premium video, mobile money payments, etc.).
- Build new revenue streams (e.g. gaming, Internet of Things, etc.).

Objective: Seize further digital opportunities

- Explore selective ventures for attractive digital opportunities providing core capabilities or new revenue streams.

In 2019, Ooredoo launched a number of initiatives to make it easier to find, buy and use its services online, including:

- Successful digital marketing campaign with brand ambassador Leo Messi, reaching an audience of 40 million people.
- Deploying Artificial Intelligence and Machine Learning in Ooredoo Qatar, Ooredoo Maldives and Ooredoo Kuwait.
- Launching Ooredoo ANA, the first fully digital mobile plan in Kuwait.
- Increasing the reach of the Ooredoo App across key markets.
- Creating more opportunities for digital self-service, with new options for customers to connect with Ooredoo via FB Messenger and WhatsApp, among other channels.
- Launching the new Mobile Digital Plan in Indonesia for self-care.

The company also worked to create new digital revenues from partnerships, including:

- Monetising direct operation billing, including for games, video and other options
- Launching new Ooredoo Android TV in Qatar, providing the premier digital hub
- Expanding Ooredoo Google and Apple carrier billing in key markets

Our 2019 highlights

Key Moments

Ooredoo built upon its leadership position in digital services in 2019, achieving significant progress in network expansion in line with its aim of enriching people's digital lives. The company also introduced a range of new services and process improvements, designed to make it easier for people to find, buy and use services online and made leadership changes in a number of its operations.

JAN

Ooredoo Makes 5G history

Ooredoo made telecommunications history with the world's first international 5G video call at the beginning of 2019, which took place on 21 January between Ooredoo Group's head office in Doha and Ooredoo Kuwait's head office in Kuwait City. The call took place at speeds of 350Mbps DL and 60Mbps UL, showcasing the incredible potential of 5G.

Ooredoo Kuwait Receives Latest Industry Certification

Ooredoo Kuwait was officially re-certified with Payment Card Industry Data Security Standards 3.2.1 Compliance International Certification and ISO 27001:2013, making it the first telecommunications provider in Kuwait to be awarded the latest certification for the third year in a row.

FEB

2019 Mobile World Congress Ooredoo's 'Best Ever'

Ooredoo Group declared Mobile World Congress in Barcelona to be the company's largest and most successful ever, with the signing of a range of strategic deals and partnerships to enhance its Supernet. Agreements included an accord to use Artificial Intelligence solutions to accelerate its 5G network transformation across its markets.

MAR

Kuwait Launches First All-Digital Customisable Mobile Plan

Ooredoo Kuwait became the first operator in the Kuwait market to launch a fully customisable digital mobile plan to give customers complete control of their mobile service usage. The new ANA plan allows customers to choose, pay for, manage and share digital services directly from their smartphones, advancing mobile services in line with Kuwait's digital transformation strategy.

Lionel Messi
Ooredoo Global Brand Ambassador

APR

Ooredoo Named in Top 50 Global Telecommunications Operators

Leading industry consultancy Brand Finance noted that Ooredoo Group had moved up to 41st place in the global top 50 telecommunications operators ranking, from 43rd place in 2018, with a brand value of USD3.78 billion.

Indosat Ooredoo Announces New CEO

Ahmad Abdulaziz Al Neama was announced as the new Chief Executive Officer at Indosat Ooredoo in April. He joined Indosat Ooredoo from Ooredoo Group, where he had been Chief Technology and Information Officer since 2017.

MAY

New CEO Joins Ooredoo Myanmar

Ooredoo Myanmar announced the appointment of Mr. Rajeev Sethi as its new Chief Executive Officer. He held several leadership roles with major multinationals across the Subcontinent and Africa prior to joining Ooredoo.

JUN

Ooredoo Oman Awarded Digital Transformation Award

Ooredoo Oman received Global Business Outlook's award for 'Digital Transformation of The Year', in recognition of its award-winning mobile app.

Ooredoo Kuwait Launches Commercial 5G Network

Ooredoo Kuwait celebrated the commercial launch of its 5G network in the country, supporting the next generation of cellular network technology.

Our 2019 highlights

Key Moments continued

JUL

Ooredoo Stock Split Completed

Ooredoo Group successfully completed the split of its common outstanding stock on a ten-for-one basis in the Qatar Stock Exchange. The stock split was undertaken as part of an initiative by the Exchange for all Qatar listed companies with the aim of generating more active trading by retail investors.

AUG

Ooredoo Qatar Announces Launch Of Ooredoo Sports App

Ooredoo Qatar launched Ooredoo Sports, a new conversational app using Artificial Intelligence and Augmented Reality to enable an interactive fan experience and allow sports enthusiasts to better engage with their chosen sports and sporting events.

SEP

Ooredoo Kuwait Receives Award For Digital Service

Ooredoo Kuwait won 'Best Digital Service' award at the Telecoms World Middle East Awards 2019 for ANA, its personalised digital mobile plan launched in 2019.

OCT

Ooredoo Celebrates Industry Recognition

Ooredoo Group was recognised for its achievements in October with a host of awards, including 'Most Honoured Company' at the Institutional Investor Emerging EMEA Executive Team awards and several accolades at the Middle East Investor Relations Association awards. Ooredoo also won 14 awards at the Stevie International Business Awards, including a Gold award for 'Company of The Year' and a Grand Stevie award.

Indosat Ooredoo Completes Sale And Leaseback Of Telecomms Towers

Indosat Ooredoo signed Sale and Leaseback agreements with Mitratel and Protelindo for the sale of 3,100 telecommunications towers in Indonesia for a total transaction value of approximately QR1.6 billion, enabling it to access equity from a portion of its tower business.

Ooredoo Qatar Enables Success of 2019 IAAF Championships

Ooredoo Qatar ensured the fan experience at the 2019 IAAF World Athletics Championships, held in Doha, was unrivalled. Ooredoo Qatar was able to offer access to incredible connectivity, the fastest speeds and most reliable voice calling during the event thanks to its groundbreaking 5G network and state-of-the-art fibre, as well as teams of its experts on the ground, as part of the company's wider digital transformation efforts.

Online eCommerce Marketplace Launched in Maldives

Ooredoo Maldives launched Moolee, its new online eCommerce platform, to facilitate online payments, orders and nationwide delivery of goods. It also expanded m-Faisaa, its award-winning innovative online payment platform, and integrated it with Moolee to offer an end-to-end online shopping experience.

NOV

New CEO Joins Ooredoo Tunisia

Ooredoo Tunisia announced the appointment of Mr. Mansoor Rashid Al-Khater as its new CEO in November. He brings with him extensive leadership experience with Ooredoo, having moved from his previous position as Group Chief Strategy Officer.

DEC

Asiacell Iraq Boosts Customer Base

Asiacell Iraq increased its customer base year-on-year from 2018, earning it the distinction of being named the leading telecommunications brand in Iraq.

Ooredoo Palestine Achieves Record Reach

Ooredoo Palestine consolidated its position as mobile data market leader, confirming at the end of 2019 its reach extended across a full 97% of the population.

Awards and Industry Recognition

2019 has been a year of achievements for the Ooredoo Group and its operating companies. The company has been honoured for work in innovation, digital transformation and corporate social responsibility, winning recognition across a broad spectrum of prestigious global awards.

These awards reflect the hard work of Ooredoo's people who strive to achieve digital excellence that creates an impact in the communities in which it operates and around the world. Ooredoo is proud to be recognised for its ethos, innovations, brand value and services, within and across the industries in which it operates.

Highlights include:

January

- **Global Banking Awards**

  Ooredoo Maldives: Best Investor Relations

February

- **Qatar Exchange IR Excellence Programme**

  Ooredoo Qatar: Best Qatari company overall for Investor Relations Excellence

  Ooredoo Qatar: Best Chief Executive Officer (CEO)

  Ooredoo Qatar: Best Chief Financial Officer (CFO)

  Ooredoo Qatar: Best Investor Relations Officer

  Ooredoo Qatar: Best Investor Relations Website, Silver winner

April

- **APAC Stevie Awards**

  Indosat Ooredoo: Innovation in tech development (telecom), Gold winner

  Ooredoo Maldives: Innovative use of technology in customer service, Silver winner

  Ooredoo Maldives: Innovation in work and learning environments, Silver winner

  Ooredoo Myanmar: Innovative use of technology in customer service, Bronze winner

- **International Business Magazine Awards**

  Ooredoo Oman: Best Telecom Company

  Ooredoo Oman: Best Digital Brand Campaign

  Ooredoo Oman: Woman Achiever of the Year

May

- **Telecom Asia Awards**

  Ooredoo Maldives: Most Innovative Mobile Payment Service

June

- **5G World Awards**

  Ooredoo Group: Best Telecom Digital Transformation Project

September

- **Institutional Investor Magazine: IR Perception Study/ Emerging EMEA Executive Team**

  Ooredoo Qatar: 2019 Emerging EMEA Executive Team 'Most Honoured Companies'

  Ooredoo Qatar: Best IR Professional Rank 1 & 2, Telecommunication Services

  Ooredoo Qatar: Best Investor Relations Programme, Telecommunication Services

October

- **IBA Stevie Awards**

  Ooredoo Group: Grand Stevie Award

  Ooredoo Group: Company of the Year (Telecom), Gold winner

  Ooredoo Group: Marketing Campaign of the Year (Internet / Telecom), Gold winner

  Ooredoo Qatar: Most Innovative Company of the Year, Gold winner

  Ooredoo Qatar: Technical Innovation of the Year, Gold winner

  Ooredoo Qatar 5G: Best new service of the Year, Gold winner

  Ooredoo Maldives: Mobile site & App Awards (Travel), Gold winner

  Ooredoo Group: Brand & Experiences (Exhibition Experience), Silver winner

  Ooredoo Myanmar: Corporate Social Responsibility Programme of the Year, Silver winner

  Ooredoo Maldives: Corporate Social Responsibility Programme of the Year, Silver winner

  Ooredoo Algeria: Mobile Site & App Awards (Music), Bronze winner

  Asiacell Iraq: Corporate Social Responsibility Programme of the Year, Bronze winner

  Ooredoo Oman: Business App of the Year, Bronze winner

- **Middle East Investor Relations Association (MEIRA) Awards**

  Ooredoo Qatar: Best Corporate for Investor Relations - Qatar

  Ooredoo Qatar: Best Investor Relations Professional - Qatar

  Ooredoo Qatar: Best Investor Relations Website, Bronze winner – Middle East

- **Asia HR Tech**

  Ooredoo Myanmar: Employer of Choice

November

- **Stevie Women in Business**

  Ooredoo Myanmar: Achievement in Women-related CSR, Gold winner for Tech Age Girls

Superfast networks for global connections

One of Ooredoo's key strengths is our balanced portfolio of operations, with strong positions in a mix of mature markets like Qatar, Kuwait and Oman, alongside emerging markets with strong potential for growth, such as Indonesia, Myanmar and Iraq. This diverse market footprint delivered strong returns in 2019, as the company forged ahead with commercial 5G services in some key markets, while continuing its role as a pioneer in emerging markets, building the fastest network in Myanmar and reconnecting services in liberated areas of Iraq.

"Ooredoo Qatar continues to open new opportunities for customers, businesses and organisations across our progressive nation, by leveraging the strength of our network and the power of digitalisation.

We have led the way in 5G services and successfully delivered one of the most advanced 'smart stadium' solutions ever seen at the International World Athletics Championship in Doha. Combined with the launch of the world's first virtual reality store, Ooredoo is supporting Qatar's national transformation."

Waleed Al-Sayed
Chief Executive Officer,
Ooredoo Qatar

Ooredoo Qatar

Overview

Ooredoo Qatar continued to lead the way globally in the adoption of 5G in 2019. After the launch of the 5G network in 2018, the service was made accessible to more customers with 5G-compatible devices during the year, with the addition of more 5G-enabled antennas across Doha. The company's significant progress enabled it to demonstrate the phenomenal power of the 5G network at the IAAF World Athletics Championships, providing smart stadium solutions to revolutionise the fan experience at one of the biggest sporting events held in the region.

Continuing in its role as a key digital enabler, Ooredoo Qatar developed and launched several digital initiatives during the year, including the world's first virtual store - a 360-degree online retail experience to further enhance digital retail channels - and the world's first AI-powered mobile data management system on Google Assistant. This enabled customers to access everyday services such as recharges digitally, with just a voice command.

Revenue stood at QR 7.3 billion with substantial growth in business to business. Service revenue performance improved, supported by an increase in postpaid revenue and Ooredoo TV. Stable EBITDA at QR 4 billion with an increased EBITDA margin of 54% impacted by new IFRS 16 reporting standards, improved efficiencies and cost optimization across the business.

The telecommunications market saw a shift in demand in 2019, with significant opportunities for postpaid and fixed market growth, and rising customer appetite for high-value products in the fixed sector. There was some prepaid market erosion during the year, driven in part by a decline in disposable income in certain customer sectors and a reduced share of income allocated to telecommunications services within those customer sectors.

To capitalise on the opportunities and ensure Ooredoo Qatar extended its market leadership, the company introduced several new products and services during the year, including new postpaid plans; Plan Boost for higher speeds in fixed services; exclusive digital promotions; migration and upgrade plans; and content bundling. The company sought new partners for services such as Ooredoo Money, which was named 'Best Global Mobile Solution 2019' by MoneyGram. It also rolled out a new distribution model for mobile wallet services.

Operator importance to Group

Customers	Revenue	EBITDA	Capex
3%	24%	31%	18%

Ooredoo ONE, an all-in-one home service including smart Wi-Fi and digital television, was launched, alongside a tailored TV package - Doosra - to cater to our Subcontinent customer sector.

As part of our effort to extend a superior customer experience, OnAir in-flight-roaming was introduced along with roaming for preferred travel locations Lebanon and Monaco.

To further improve customers' digital experience, Ooredoo Qatar introduced superior quality VoLTE - Voice over LTE - calling on iPhones and Samsung devices, with VoLTE on Samsung exclusive to Ooredoo in Qatar. The use of debit cards to make purchases via the eShop online was also enabled, extending the option of seamless payments.

To control costs, Ooredoo Qatar optimised customer support through digital channels – introducing WhatsApp and Live Chat – and optimised its state-of-the-art network of Self Service Machines. For retail shops, Ooredoo expanded its sales through a smart solution tool for its Point of Sales, alongside optimising locations, re-contracting some locations at lower cost and outsourcing three shops into a franchise model.

In line with Ooredoo Qatar's commitment to sustainability, the company continued its drive towards a 100% paper-free environment and rolled out an extensive network upgrade, which saw increased use of sustainable, energy-efficient technologies. It introduced a number of initiatives as part of its digitalisation strategy, including digitalising the Business Customer Support journey, launching new Digital Welcoming and Digital Price Tag systems in shops and offering direct digital recharges for prepaid Hala customers.

Both consumer and business sectors won key industry awards in 2019. The Ooredoo Qatar network was awarded Fastest Mobile Network in the Ookla Speedtest Global Index, and the company was named 'Best Managed Security Services Partner of the Year' by Fortinet. Microsoft also honoured the company with a 'Digital Transformation Award'.

Ooredoo Qatar also showcased true 5G capabilities during the Emir Cup football tournament, demonstrating a futuristic remote connected ambulance and an immersive sports display of some of the matches at the Mall of Qatar.

Qatar IT Conference & Exhibition – QITCOM – was an exciting event for Ooredoo Qatar, as the company signed contracts for the TASMU smart nation platform, part of an an initiative designed to facilitate and accelerate all pillars of Qatar Vision 2030. The company also displayed state-of-the-art Safe Smart Cities solutions and was awarded 'Best Booth' in its size category at the event.

Other significant projects and partners included the Microsoft Data Centre; the Ministry of Education connectivity and network project for 276 schools; the Lusail Managed Network project; and a connectivity project for FIFA 2022 stadiums, of which six are so far complete.

Total Customers (In Thousands)

3,271

Year	Customers
2019	3,271
2018	3,281
2017	3,436
2016	3,484
2015	3,506

Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	7,897	8,007	7,791	7,742	7,301
EBITDA QRm	3,995	4,050	3,916	3,987	3,957
EBITDA Margin %	51%	51%	50%	52%	54%
Blended ARPU* QR	118.5	120.9	112.8	114.3	107.4
Employees No.	1,554	1,530	1,490	1,362	1,303

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

Ooredoo Qatar (continued)

Ooredoo's new Visitor SIM purchasing platform was launched during the year, enabling visitors to purchase a SIM and get immediate data access in Qatar. The company also introduced Ooredoo Life Marketplace, a one-stop-shop for organisations and individuals to access Ooredoo data and services containing relevant software components - known as APIs - that can be used to transform existing digital services or develop new, innovative alternatives.

To better enable employees to engage with the company and each other, improve communication and encourage collaboration within teams, business units and the entire organisation, Ooredoo Qatar launched Workplace from Facebook during 2019, which has been well received and enthusiastically adopted.

As part of its longstanding support for the community, Ooredoo Qatar formed a partnership with 'Wheel the World' – an organisation dedicated to making travel accessible to those with special needs – and held several community health initiatives, including medical checks at labour camps and educational sessions at its headquarters. Ooredoo Qatar continued its well-established partnership with Qatar Cancer Society and support for Best Buddies, an initiative to ensure an inclusive community for all. The company held a comprehensive Ramadan campaign, including support for the vulnerable, sponsorship of community events and facilitation of donation collection.

In the same vein, Ooredoo Qatar actively sought sponsorship opportunities that aligned with its corporate social responsibility strategy, including the annual Gulf English School career fair; Ajyal Film Festival; Al Khor Fly-In; Ride of Champions; Qatar International Medical Devices & Healthcare Exhibition & Conferences; S'Hail International Falcon Exhibition; and the Ooredoo Kids Cup. The company was also National Supporter for the FIFA Club World Cup 2019, Silver Sponsor for Qatar Trade Summit 2019, Strategic Sponsor for QITCOM, provider of On-board Wi-Fi on Qatar Airways flights, sponsor of the Ooredoo Cup under a two-year partnership with Qatar Stars League, National Partner of IAAF World Athletics Championships, Strategic Sponsor of QMED, Silver Sponsor for Qatar Total Open 2019 and sponsor of the Camel Racing Festival Under the Sword Of H.H. The Emir.

Outlook

For 2020 and beyond, Ooredoo Qatar intends to capitalise on its leadership position as a pioneer of digitalisation and 5G, and to leverage its experience, expertise and partnerships in order to continue growth, development and expansion. The company will continue to innovate by providing new ways for customers to find, buy and use its services online, and look to enable more businesses in Qatar to digitalise and grow.

Ooredoo Qatar will lead market growth by maximising the value of its customer base. Plans for 2020 include improvement of the customer experience by developing new digital channels and distribution to enhance the customer journey.

Sales and distribution will be value-oriented, with new remuneration models. Ooredoo Qatar intends to increase the number of convergent customers and introduce value upgrading initiatives, as well as offering a better TV experience with a new channel mix.

2019 was a turnaround year for the Indonesian telecommunications industry, and Indosat Ooredoo successfully consolidated its customer base and delivered double-digit growth, improving its position as a leading mobile operator in the country. Our main focus for the year was on our customers, and we launched a number of new products, while also enhancing and digitising services through our innovative MyIM3 app and online SIM service and through strategic partnerships with Google, Facebook and Snapchat.

Ahmad Abdulaziz Al Neama,
CEO, Indosat Ooredoo

Indosat Ooredoo

Overview

Powered by a refined strategy, Indosat Ooredoo's business returned to growth in 2019. Revenue for the year increased by 13.7% to QR6.7 billion compared to the same period last year, driven by substantial growth and monetisation of data traffic. Growth was also supported by improved network coverage and experience and the use of cutting-edge analytics and customer value management to increase ARPU.

EBITDA for the year reached to QR2.9 billion, higher in comparison to last year on a like-for-like basis, driven by strong top-line growth and supported by various cost optimisation initiatives.

The successful sale and leaseback agreements of Indosat with Mitratel and Protelindo, for 3,100 telecommunications towers with a total transaction value of approximately QR1.6 billion, has enabled Indosat Ooredoo to unlock value from a portion of its tower business and accelerate the implementation of the company's network enhancement programme.

The successful consolidation of Indosat Ooredoo's customer base contributed to the company's growth. Indosat Ooredoo remained focused on providing simple, transparent and accessible products and services. The company succeeded in reshaping its customer base to a more loyal and higher-value user base with lower churn rates and maintained its position as a leading mobile operator in Indonesia.

The introduction of the 'Freedom Internet' plans exemplifies Indosat Ooredoo's commitment to offering hassle-free, transparent products to its customers. The plans enable customers to access data anytime, anywhere, without worrying about limitation, network priority and depleting their user balance once their data is exhausted, offering users peace of mind and a greater sense of control.

The MyIM3 app continues to revolutionise the way in which people interface with Indosat Ooredoo. The app provides a seamless interface between Indosat Ooredoo's customers and the company, creating an efficient and convenient way for users to explore Indosat's market-leading offerings and to manage their accounts. This was supplemented by the launch of the online starter pack selling programme, where customers can order an Indosat Ooredoo SIM card to be delivered straight to their doorstep. Over 1,000 SIM cards were sold within the first 24 hours of the launch, making the online starter pack an effective customer acquisition tool.

Operator importance to Group

As data plays an increasingly important role in the telecommunications industry, securing partnerships with major online service providers has become imperative to monetise data more effectively. Indosat Ooredoo forged partnerships with Facebook, Google and Snapchat to enhance user experience and offer OTT services, unlocking the opportunity for users to find relevant content. These partnerships provide additional rewards, increase engagement levels and drive self-care benefits for end-user customers. With Facebook, the company has launched a digital literacy initiative, aimed at educating and converting non-data users into digitally savvy customers.

Enabling communities to thrive is at the heart of Indosat Ooredoo's operations. The company has launched a number of initiatives to serve the communities in which it is present, such as operating a mobile clinic in disaster zones to provide aid and relief to victims. These mobile clinics were deployed at six different locations through the year including in the Konawe flood zone where over 2,000 victims were aided. The company has also taken an active role in empowering the community through education initiatives, which range from awarding scholarships to organising digital literacy roadshows.

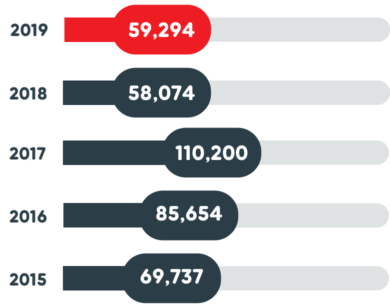
As a digital telecommunications company, Indosat Ooredoo embraces digital ways of working. Employees are offered a multitude of digital platforms to foster their career growth and enhance productivity, such as online learning and smart office set-ups. In addition, structured training and development programmes have been rolled out and will continue to be rolled out in 2020, to ensure employees have the right skillset to execute the company's strategic ambitions.

Outlook

Indosat Ooredoo will build on the success achieved in 2019, with a stable and high-value customer base and a pipeline of new and exciting products and services. Accelerated 4G adoption will open up new opportunities. The company will continue to leverage this and offer trusted products and services, while realising its digital ambitions. Contributing to the communities it serves, and to the socio-economic development of Indonesia, will always remain a company priority.

Total Customers (In Thousands)

59,294



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	7,274	7,994	8,145	5,919	6,728
EBITDA QRm	3,303	3,724	3,728	1,969	2,899
EBITDA Margin %	45%	47%	46%	33%	43%
Blended ARPU* QR	7.3	6.7	5.0	6.1	7.3
Employees No.	4,320	4,421	4,391	3,700	3,708

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

> We had a good year as we grew revenue market share in a challenging environment and we were the first to launch commercial 5G in Kuwait. Our strategy to focus on defined customer segments of the market and to perfect our digital user experience has enabled us to grow in an already mature market.

Mohammed bin Abdullah Al Thani
CEO, Ooredoo Kuwait

Ooredoo Kuwait

Overview

In 2019, Ooredoo Kuwait was the first to launch 5G commercially in the country, in line with the company's vision to empower Kuwait's society by driving digital transformation and enriching people's digital lives.

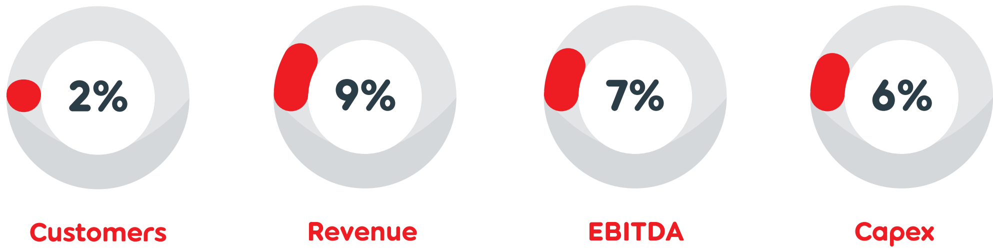
As the industry evolves and users become more sophisticated, the ability to deliver seamless digital interactions has become the new frontier for customer acquisition and retention in the telecomms sector. In 2019 Ooredoo Kuwait launched 'ANA', a brand new digital mobile experience that allows customers to build plans tailored to their individual preferences, bringing the complete customer journey online from product discovery and customisation to scheduling SIM card delivery and payment. The award-winning platform was recognised at the Telecoms World Middle East Awards 2019 for 'Best Digital Service.'

As the world becomes increasingly connected, customers demand the latest digital services. Cognisant of the immense competitive advantage that rapid time to market offers can bring, Ooredoo Kuwait revamped its digital infrastructure to enable the instant promotion of new products and services throughout the company's self-care channels. Customers are able to access and activate the latest offers and services directly from Ooredoo Kuwait's digital channels such as the My Ooredoo app without having to download any updates. The My Ooredoo app has been downloaded more than a million times and made it to the top 10 most popular free app list.

The reception to Ooredoo Kuwait's digital initiatives and digitalisation of traditional channels – designed to support Ooredoo's ongoing digital transformation journey by increasing its digital footprint - has been extremely positive, captured by the rapid growth in the usage of company's digital channels. More than 700,000 of Ooredoo Kuwait's customers used the company's digital self-care channels, while the use of e-payments increased significantly as well.

Ooredoo Kuwait leveraged its profound digital expertise and concentrated on uplifting customer satisfaction across multiple touchpoints to enhance customer experience and deliver growth in a highly mature market. The focus remained on targeting defined customer segments with personalised user experiences and packages which enabled the company to capture greater value from the market.

Operator importance to Group



Ooredoo Kuwait, as part of its ongoing digital transformation journey, organised the 'Business 2 Digital' conference - attended by prominent guests from leading IoT/ICT companies - for the second consecutive year.

The company extended its enterprise capabilities by adding software-defined networking in a wide area network (SD-WAN) which provides enterprise customers with a more agile and simplified model for managing their wide-area network and enables them to centrally monitor and manage their network infrastructure. The launch forms part of Ooredoo Kuwait's wider strategy to develop a simplified and convergent portfolio of products that meets the requirements of the nation's business sector and supports the country's digital transformation agenda. New partners were also onboarded to support entry into new lines of business, expanding opportunities.

Efforts continued to position Ooredoo Kuwait reported Business as a major ICT player in the market, with new and unique solutions and a state-of-the-art Data Centre set-up, alongside transformation of Phono – the commercial arm of operations – towards efficiency, with more control over Point of Sales.

Financially, Ooredoo Kuwait reported revenue of QR 2.8 billion. Revenue was impacted by reduction in handset sales and competitive market dynamics. EBITDA was strong, increasing 31% to QR 867 million in 2019, compared to QR 662 million in 2018. Increase reflected improved product mix, good operational efficiencies across the business as well as a positive impact of the new IFRS 16 accounting standard. The growth in EBITDA was supported by the company's optimised network and supplier services achieved through its centralised sourcing programme.

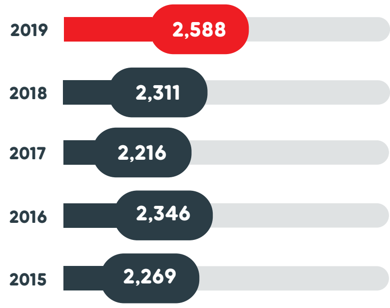
Ooredoo Kuwait continues to show its support for the community through its award winning 'Ooredoo Volunteers' programme. The initiative has seen the participation of over 1500 youth volunteers since its launch in 2015, enabling the youth of Kuwait to contribute to projects that make a real difference in the lives of citizens and residents. The programme was recognised as the 'Best Voluntary Initiative' for the fourth consecutive year during the Youth Initiative Forum in 2019.

Outlook

Ooredoo Kuwait sees great opportunities to service the Kuwaiti market and establish itself as the leading integrated communications provider. The proliferation of 5G-enabled smartphones and early stage adoption is expected to drive up demand as customers seek increasingly converged product portfolios. Growth is also expected in the B2B segment, as businesses are witnessing increased focus on digital. Ooredoo Kuwait is well positioned to serve this need with its portfolio of end-to-end ICT solutions.

Total Customers (In Thousands)

2,588



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	2,275	2,382	2,675	2,905	2,772
EBITDA QRm	620	614	652	662	867
EBITDA Margin %	27%	26%	24%	23%	31%
Blended ARPU* QR	71.7	66.5	72.7	68.8	58.5
Employees No.**	737	1,018	1,140	1,225	1,132

* Blended ARPU is for the three months ended 31 December.
** Employees at FASTtelco is included from 2016

> We are proud to have been the Sultanate's data experience leaders for yet another year, testament to our successes and our contribution to digitally enabling the Omani market through our continued network investment in high-speed digital infrastructure. The expansion of Oman's best telecomms app and the introduction of the country's all-digital pre- and post-paid mobile data plans brought flexibility, control, personalisation and an awesome, digital-first customer experience. In preparation for things to come, we showcased our 5G experience zones in Muscat and Salalah.

Ian Dench
CEO, Ooredoo Oman

Ooredoo Oman

Overview

During 2019, Ooredoo Oman expanded its Supernet network and launched more innovative products and services, enabling more customers to enjoy the internet, while supporting the country's digital transformation.

Reinforcing Ooredoo Oman's position as Oman's data experience leader, the company opened a 5G experience zone in its Muscat and Salalah stores, an initiative which was supported by the Telecommunications Regulatory Authority (TRA). The experience zone showcased demonstrations where customers could experience the latest technology such as 5G mobile devices and Customer Premises Equipment (CPE) devices, using ultra-high-speed internet access.

As the company continued preparations for the commercial launch of 5G, Ooredoo Oman joined government stakeholders and operators at a '5G Roadmap' event organised by the TRA to discuss the Sultanate's plans for investment and legislative developments to support 5G roll-out and adoption.

The Omani market is highly competitive and Oman has a strong appetite for technology. In line with this, Ooredoo Oman expanded its broadband network to cover all wilayas across the Sultanate, and the company's Supernet network reached coverage of over 98% of Oman's population. The company upgraded several fixed sites with Massive Multiple input Multiple Output (Massive MiMO) technology, a key component for 5G, thus increasing its network capacity to provide reliable and secure connectivity, even in the most remote locations.

Committed to serving a growing number of customers across the country, Ooredoo Oman enhanced its 'Fast Home Internet' package to provide extra data. Additionally, the company introduced the very first 1,000 GB package to its two-year contract.

For its mobile customers, Ooredoo Oman's innovative digital products and services in 2019 brought customers a whole new level of flexibility and customer experience. Shahry - the company's digital postpaid plan - is a first in the Sultanate, allowing customers to select a package that best suits their mobile needs, with flexible add-ons including data, national and international voice bundles, digital and roaming, and roaming. It is exclusively available through the Ooredoo App.

Furthermore, Ooredoo Oman launched three enhanced and value-added monthly plans for its digital prepaid package, Shababiah. With the upgraded plans, customers have even better value and more flexibility, also available exclusively through the app.

The company achieved a significant milestone as the Ooredoo App reached one million downloads in Oman. Furthermore, the company continued to enable more local businesses to 'be digital' through its one-of-a-kind Business App. The App provides businesses with complete control at the touch of a button, with the ability to manage credit limits and access payment history. Customers can also top up credit to their numbers, order SIM card replacements and much more. Testament to its role in enhancing the digital experience across Oman, the company's Business App was widely recognised within the industry, with the latest accolade being a Bronze Stevie at the 14th Stevie International Business Awards.

Market softening has negatively impacted overall growth in the prepaid customer base. Ooredoo Oman successfully managed to migrate customers from prepaid to postpaid (a growth of 17%), as it increased its focus on value protection. Total number of customers on Ooredoo Oman's network at the end of 2019 increased to 3.4 million, a number which includes more than 500,000 Mobile Virtual Network Operator (MVNO) customers, added in seven months of operation.

The company maintained its focus on brand-building initiatives during the year, through supporting and sponsoring several events including the Annual Muscat Festival and the 2019 Salalah Khareef Festival. Ooredoo Oman showcased its latest innovations at the 2019 COMEX Technology Show, a three-day event aimed at highlighting trends and breakthrough technologies that impact the way people live, communicate, work and network.

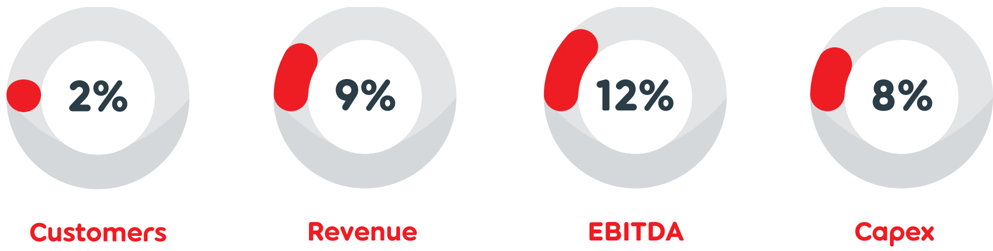
Fulfilling its commitment to developing the digital leaders of the future and contributing to making Oman a digitally led and knowledge-based society, the company's Spring Forward and Springboard training programmes have become a benchmark for boosting digital entrepreneurship. Through successful public-private sector collaboration, men and women are trained to become the leaders of tomorrow. For the first time in 2019, the company awarded a start-up budget to teams from the programmes to help get their businesses off the ground. Ooredoo Oman also provided several opportunities for their women's incubator programme participants to showcase and promote their businesses. These programmes train women in a variety of skills, including IT, cooking and handicrafts, as part of the company's CSR platform, Ooredoo Goodwill.

In 2019 Ooredoo Oman was recognised globally and won several international accolades, including the 'Best Telecom Company Oman 2019' at the International Business Magazine Awards, 'Best Mobile Network' at the P3 Communications Awards, and 'Best Customer Experience Transformation' at the Customer Experience Week – Middle East and the prestigious Sultan Qaboos Award for CSR and Voluntary Work.

Outlook

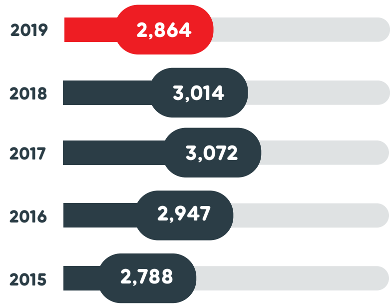
During 2020, Ooredoo Oman will continue to maintain a strong market position through its value-added products and services, network expansion and its contribution to Oman's digital transformation.

Operator importance to Group



Total Customers (In Thousands)

2,864



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm*	2,475	2,639	2,670	2,685	2,703
EBITDA QRm	1,302	1,404	1,429	1,463	1,490
EBITDA Margin %	53%	53%	54%	54%	55%
Blended ARPU** QR	67.0	66.6	62.6	60.1	54.7
Employees No.	1,024	1,056	1,044	968	1,022

* Commission on cards was netted against revenue from 2018.
** Blended ARPU is for the three months ended 31 December.

> In 2019 we upgraded our entire network to support 3G whilst restoring service to liberated regions and expanding to the south of the country. Boasting the widest 3G coverage in the country, we have maintained our leadership position in Iraq and remain committed to further optimising our network in line with our digital transformation strategy.

Amer Al Sunna
CEO, Asiacell

Asiacell Iraq

Overview

Asiacell expanded and upgraded its network as it seeks to foster and participate in the economic revival of Iraq. Connectivity is playing an increasingly important role in the modernising of the Iraqi economy, and Asiacell with the widest 3G network in the country, continued to invest significantly to provide world-class digital infrastructure in Iraq. Simultaneously, the company made good progress with its digital transformation, preparing Asiacell to lead the industry into the next phase of growth that will be ushered in with the launch of 4G.

Throughout 2019 Asiacell maintained its customer-centric approach, earning itself the distinction of being awarded the best telecommunications company in Iraq at the International Finance Awards. The company expanded its reach with over 650 new locations across Iraq, thus providing opportunities for promoting Asiacell's brand and showcasing its offering.

Asiacell continued to seize the opportunities presented by Iraq's growing economy. In 2019 Asiacell added to its existing B2B capabilities by taking advantage of its new high-speed data service.

Digitalisation remained a core driver of efficiency within the business. Asiacell made significant progress in preparing the company for a digital future, with initiatives ranging from enhanced process automation and expanded e-channels to increased adoption of e-payments and electronic recharge. Asiacell's digitalisation programme is set to streamline the company's customer interaction and enhance its user experience, a key differentiating factor for the company going forward. As part of the digital transformation journey, Asiacell remains committed to enhancing employee engagement and skillsets to thrive in a more digitalised Asiacell and the broader digital economy.

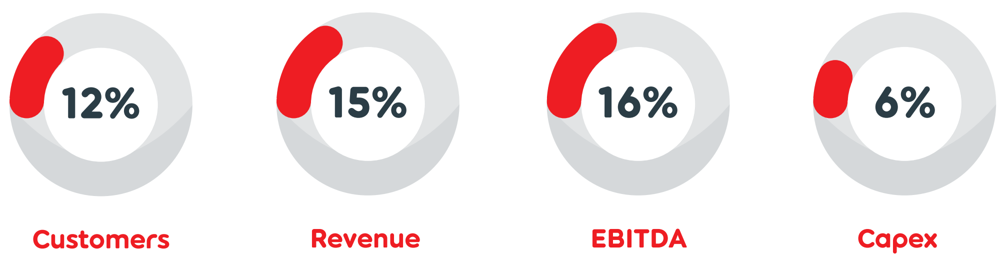
Despite the strong operational progress made during the year, the financial results were impacted by changing market conditions. Asiacell reported revenues of QR 4.6 billion during the year, compared to QR 4.4 billion last year. EBITDA dropped 2% to QR 2 billion as intense competition offset the impact of the ongoing successful implementation of Asiacell's cost optimisation programme.

Empowering communities to reach their full potential is at the heart of Asiacell's operations. Recognising the importance of fostering an entrepreneurial spirit in Iraq, Asiacell partnered with IOM (International Organization for Migration) and other start-up incubators and accelerators to address the critical funding gap affecting young tech entrepreneurs in Iraq. Asiacell also ran a number of initiatives during the year designed to serve the community and enhance and preserve the culture of the country. These included supporting children with cancer in Kirkuk and renovating the Art Gallery Hall in Basra.

Outlook

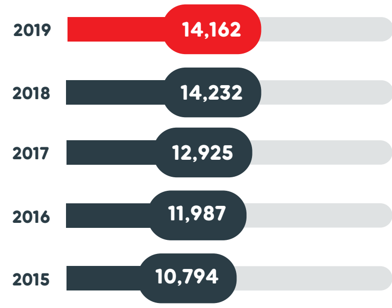
Iraq has a young technologically savvy population, which presents a good opportunity for Asiacell. The company's market leading infrastructure and brand places it at the fore to capture growth from 3G and the pending launch of 4G. Operationally, Asiacell will continue the deployment of its digitalisation strategy which will deliver value through both cost efficiencies and better customer experience. The development of its B2B segment lays the foundation for long-term value creation as the company taps into the growing enterprise market in Iraq.

Operator importance to Group



Total Customers (In Thousands)

14,162



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm*	4,884	4,217	4,490	4,449	4,572
EBITDA QRm	2,136	1,923	1,982	2,093	2,040
EBITDA Margin %	44%	46%	44%	47%	45%
Blended ARPU** QR	36.6	30.3	29.9	26.8	29.2
Employees No.	2,733	2,747	2,773	2,832	3,167

* Commission on cards was netted against revenue from 2018.
** Blended ARPU is for the three months ended 31 December.

In 2019 we developed a thriving ecosystem of digital services which gained immense popularity, especially among the youth in Algeria. We continued to provide a unique customer experience that set us apart in the Algerian market.

Mohammed bin Abdullah Al Thani
Chairman, Ooredoo Algeria

Ooredoo Algeria

Overview

Ooredoo Algeria remained resilient in a challenging market environment by focusing on becoming a true digital enabler. The Algerian telecommunications industry was adversely affected by intense price competition, shifting consumer preferences and poor macroeconomic conditions, spurring Ooredoo Algeria to differentiate itself by developing an integrated digital ecosystem to complement its traditional telecommunications offering.

The company's monthly active users across all its digital touchpoints exceeded 600,000 in 2019, a display of the strong demand for Ooredoo Algeria's services across its digital products.

Ooredoo Algeria's 'Haya' Music app became the leading music streaming service in Algeria in 2019, amassing a user base of 140,000 active listeners. The app was designed to support the company's goal of developing a digital ecosystem around its service offering, now encompassing gaming, e-learning, sports and youth content. It received international recognition in 2019 in the form of a Bronze Stevie award in the Mobile Site App category.

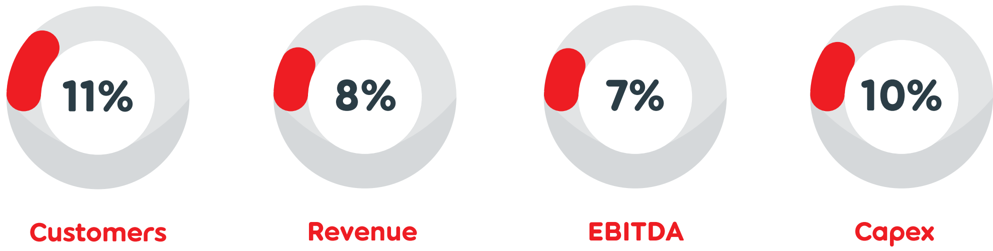
As revenues from digital services continued to grow in 2019, up 20.4% from the previous year, Ooredoo Algeria launched new products and services to cater to market demand. Some major exclusive services are also scheduled for 2020.

Ooredoo Algeria's market-leading network infrastructure continued to support its digital ecosystem in 2019 and the company continued to strengthen and expand its 4G network by installing more than 1,000 new technical sites across the country, enabling it to become the first operator in Algeria to cover all 48 wilayas with 4G.

Customer experience remained an integral part of Ooredoo Algeria's identity. In 2019, the company formed partnerships with Google and Facebook to better understand customer behaviour and optimise services accordingly. These partnerships, in conjunction with Ooredoo Algeria's Customer Value Management (CVM) project, represent a significant step forward in the company's quest to enhance data monetisation.

Financially, 2019 saw sustained price competition which impacted performance, although the market achieved price stabilisation in the last quarter of the year in the telecommunications sector. Revenue for the year was QR 2,501 million, down 9.4% compared to the previous year.

Operator importance to Group



Declines in EBITDA were contained by Ooredoo Algeria's concerted digitalisation drive, which has contributed significantly to the company's efficiency. EBITDA for the year was QR 867m and EBITDA margin was 35%.

Ooredoo remains committed to contributing to the growth of the local economy and helping provide more opportunities for local communities. In 2019 Ooredoo Algeria launched a pioneering public-private collaboration to address some of the key issues facing the Algerian economy. Three programmes were set up to address the underdevelopment of the SME, particularly in relation ICT, the structural difficulties in becoming an entrepreneur and youth unemployment. The programmes supported 29 technology start-ups – including 20 Ooredoo-hosted incubators – and the training of 5,400 young people. Promoting innovation and the creation of local products and content, 'Made in Algeria' was the slogan at the heart of these programmes.

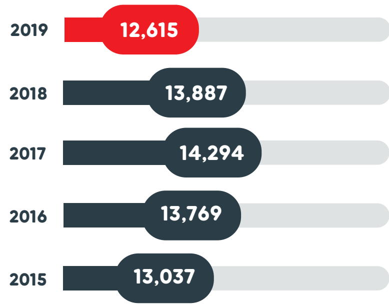
Serving local communities remains a priority for Ooredoo Algeria. During the holy month of Ramadan, the company partnered with the Algerian Muslim Scouts to distribute food packs on the main highways in the provinces of Algiers, Oran and Constantine, so that those in need could break their fast with a proper meal.

Outlook

With a superior network, an evolving digital ecosystem and exceptional customer experience, Ooredoo Algeria seeks to capitalise on these advantages to generate further growth across the business and to maintain a loyal customer base. Beyond the provision of connectivity services, revenues from digital services are expected to become an increasingly important source of revenue generation for the company.

Total Customers (In Thousands)

12,615



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	4,023	3,732	3,422	2,760	2,501
EBITDA QRm	1,474	1,308	1,506	1,029	867
EBITDA Margin %	37%	35%	44%	37%	35%
Blended ARPU* QR	22.9	21.2	18.2	15.5	15.5
Employees No.	3,008	2,830	2,785	2,807	2,895

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

> 2019 was a good year for Ooredoo Tunisia as we maintained our leadership in the Tunisian telecommunications industry with more than 43% market share, and delivered good financial and operational results supported by growth across our mobile data, B2B and fixed line services.

Mansoor Rashid Al-Khater
CEO, Ooredoo Tunisia

Ooredoo Tunisia

Overview

During 2019 Ooredoo Tunisia reinforced its position as the country's leading telecommunications operator by providing a superior network experience and customer service. As a result, Ooredoo Tunisia captured more than 43% of the overall market share and more than 66% of the 4G market share in Tunisia, cementing its position as a digital enabler.

In line with its digital transformation strategy, Ooredoo Tunisia invested heavily to enhance digital consumer touchpoints. The company streamlined the process of product discovery, leveraging social media, and simplified the process of product activation, allowing its users to purchase their SIM cards online. In recognition of its efforts, Ooredoo Tunisia was awarded the 'Customer Service of The Year' distinction at the ESCDA awards ceremony held in October 2019.

The company's growth in the consumer space was supported by the launch of several products and services. Ooredoo Tunisia increased smartphone penetration among customers by offering accessible smartphone packages at attractive prices. The company further democratised data use through exclusive and convergent options such as upselling campaign calls targeting voice and data. Ooredoo Tunisia launched 'My Ooredoo Connection Reward' to build loyalty by offering a multitude of offers and promotions to its customers.

In 2019, Ooredoo Tunisia further expanded its B2B business which is a high growth area for the company. By offering bespoke solutions that cater to the specific needs of its enterprise clients, Ooredoo Tunisia carved out a niche for its services in the market. Ooredoo Tunisia launched its shared data solutions for the logistic industry, enabling customers to more effectively manage their operations and better serve their clients. The company's offering was well received as the segment continues to grow and become an integral part of Ooredoo Tunisia's offering.

Ooredoo Tunisia maintained investment in its fixed line network, an area which delivered strong growth as the demand for high speed connectivity remains on the rise. The company focused on expanding the reach of its network and deploying the latest technologies to ensure the highest level of service for its users and establishing itself as a leading provider of fixed line services.

Financially, Ooredoo Tunisia performed well against a backdrop of political and economic instability. In local currency terms, revenues were up 6.8% during 2019 and EBITDA increased 27.3%. However, due to the depreciation of the Tunisian Dinar, in QR terms the revenues were down 3.3% to QR 1,476 million in 2019 compared to the same period last year. EBITDA remained robust increasing 14.7% to QR 682 million a result of the company's strong cost optimisation initiatives and efficiency programme.

The strong performance was supported by the company's extended offering in the enterprise segment.

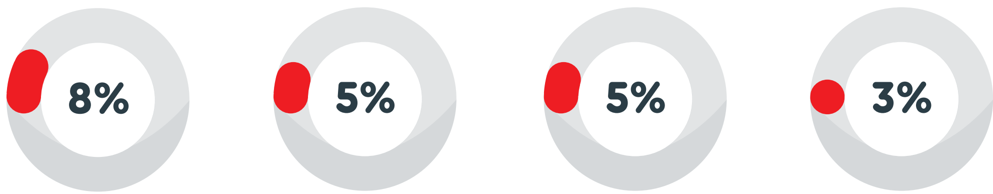
Ooredoo Tunisia believes it is vital for a company to serve the community in which it operates. During the year, the company worked to improve the lives of some of the most vulnerable members of society by upgrading the facilities and residential quarters of the Grombalia retirement home. Ooredoo Tunisia also upgraded the facilities of schools in rural locations across the country, creating an environment more conducive to learning and greater personal wellbeing for the students.

Strengthening its commitment to Tunisian football, Ooredoo Tunisia renewed its sponsorship contract with Club Africain for the two coming seasons 2019-2020 and 2020-2021.

Outlook

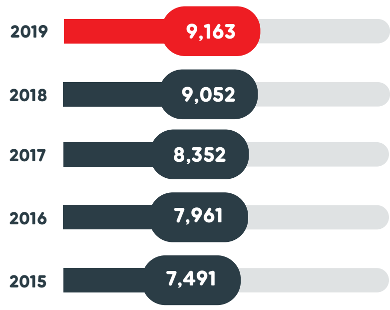
Looking ahead, Ooredoo Tunisia sees solid opportunities across all its business segments, in particular the growth of its B2B and fixed line segments. The company is committed to further investing in its infrastructure and developing its digital ecosystem to maintain the lead in the Tunisian telecommunications market.

Operator importance to Group



Total Customers (In Thousands)

9,163



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	1,803	1,714	1,530	1,526	1,476
EBITDA QRm	746	686	606	595	682
EBITDA Margin %	41%	40%	40%	39%	46%
Blended ARPU* QR	14.7	14.0	11.9	12.3	11.2
Employees No.	1,640	1,613	1,600	1,585	1,560

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

"2019 was a landmark year for us as we celebrated our fifth anniversary in Myanmar. Thanks to a combination of hi-speed connectivity, innovative technologies and a strong digital offering, Ooredoo Myanmar continues to be the leading digital enabler in the country. In 2019, we reported solid growth in our customer base and digital revenues, despite a highly competitive market."

Rajeev Sethi,
CEO, Ooredoo Myanmar

Ooredoo Myanmar

Overview

The solid growth of 20% year-on-year in Ooredoo Myanmar's customer base reflects its dedication to deliver the best experience possible for customers, as well as the work undertaken to strengthen and expand network coverage. Ooredoo Myanmar has made the fastest available speeds a daily reality for people in Myanmar and in 2019 the Ooredoo network was recognised by Ookla as the fastest mobile network in the country.

Throughout the year, Ooredoo Myanmar focused on LTE coverage expansions with the addition of 1300 4G LTE sites and the introduction of low-band LTE in L900, as well as the expansion of the Seamless MPLS (Multiprotocol Label Switching) network to improve resilience.

In 2019 the company made good progress towards 5G readiness though live demonstrations of Ooredoo's 5G network in Yangon. The demonstrations showcased a range of 5G use-cases, including 5G speeds up to 1.75Gbps and immersive virtual reality experiences, as well as an innovative drone-based monitoring system, generating global interest and setting a new benchmark in Myanmar's telecommunications industry.

Ooredoo Myanmar continued to be at the forefront of bringing the latest technologies to the market, which included launching the first IoT service in Myanmar focusing on Public Services, Health and Safety, Agriculture Solution and Transportation, as well as a Dealer App for Ooredoo Myanmar Trader Partners and a Sales Force App for internal sale team members.

Ooredoo Myanmar strengthened its position as a digital lifestyle enabler for customers. With M-Pitesan, the mobile money service which is helping fuel the cashless economy in Myanmar, Ooredoo provided mobile users with access to essential financial services. The company was awarded the 2019 Asia-Pacific Bronze Stevie Award in recognition of its contribution to addressing a huge market need by catering to Myanmar's 65% unbanked population.

To help people better enjoy their digital lives and overcome digital literacy barriers, Ooredoo Myanmar collaborated with Google and the Ministry of Education to promote the development of a safe and secure digital ecosystem among students and teachers. In addition, Ooredoo Myanmar collaborated with Facebook and the GSMA to launch a digital literacy campaign to raise awareness and increase adoption of mobile internet in Myanmar.

Operator importance to Group

Customers	Revenue	EBITDA	Capex
10%	4%	2%	4%

Outlook

4G will continue to transform the market in 2020, with digital content being a key differentiator for unlocking growth. We expect demand for mobile financial services to continue, offering additional opportunities in 2020.

The Government has committed to developing Myanmar's digital economy to benefit the whole country, with particular focus on bridging the urban-rural digital divide. Ooredoo Myanmar anticipates regulatory changes in 2020 to support this goal, as the country seeks to deliver on its ambitions to become a digital leader in the ASEAN region. Building on the success achieved in 2019, Ooredoo Myanmar is well-placed to unlock future growth and further expand its digital offerings and community initiatives for the benefit of the people of Myanmar.

The 'Internet 101' campaign aims to inform and educate first time and new internet users, through one-on-one trainings at Ooredoo Myanmar retail points and exclusive stores across the country, particularly in rural areas. After a 3-month campaign, more than 300,000 mobile users in Myanmar were trained and plans are ongoing to cover 200 villages via mobile vans, especially in rural and difficult to reach areas of Myanmar.

Other nation-wide initiatives such as 'Beyond Access' and 'Tech Age Girls' continued to empower communities and plant seeds of change towards enabling a digital lifestyle.

Ooredoo Myanmar continued the Hackathon series launched in 2018, aimed at empowering the young and talented people of Myanmar to develop innovative services that serve their communities. Hosted jointly with the United Nations Development Programme, the initiative is centred around the three key areas of rural development, education and climate change and it encourages participants to develop digital solutions.

In 2019 Ooredoo Myanmar became the only organisation in Myanmar to be certified by the Great Place to Work® for two consecutive years (2018-2019). The company's 'Winning With People' strategy has delivered very good results through transparent leadership, a culture of collaboration and management excellence.

Financially, Ooredoo Myanmar revenue stood at QR 1,062 million, a decrease of 15.9% compared to the previous year due to aggressive market, impact of 4th operator and local currency depreciation.

Total Customers (In Thousands)

11,527

Year	Customers
2019	11,527
2018	9,605
2017	7,915
2016	9,000
2015	5,818

Financial performance

	2015	2016	2017	2018	2019
Revenue QRm*	1,065	1,470	1,324	1,262	1,062
EBITDA QRm	(76)	(9)	152	197	280
EBITDA Margin %	-7%	-1%	11%	16%	26%
Blended ARPU** QR	17.1	12.2	15.0	8.7	7.9
Employees No.	949	939	966	914	836

* Commission on cards was netted against revenue in 2018.
** Blended ARPU is for the three months ended 31 December.

“During 2019 we expanded and enhanced the Ooredoo network to reach remote areas of the country as we focused on enriching people’s digital lives. With this, we have built a platform to enable further growth for Ooredoo Palestine.”

Dr. Durgham Maraee
CEO, Ooredoo Palestine

Ooredoo Palestine

Overview

Ooredoo Palestine maintained its position as a digital leader in the market, since the successful launch of 3G services nearly two years ago. In 2019, through consolidated efforts to build on its vision to be a digital enabler, bring world-class 3G services to the West Bank and connect Palestine to the global digital economy, Ooredoo Palestine was able to create a brand that truly resonates with its customers.

Building on its vision to be a digital enabler, Ooredoo Palestine implemented initiatives aligned with its ‘Get Digital’ programme, a multifaceted programme that evaluates all aspects of the company’s operations.

The launch of new digital channels such as Business WhatsApp and Chatbot increased penetration on the ‘My Ooredoo App’ by giving customers a better experience and serving as a one-stop shop for Ooredoo Palestine products and services. High traffic to the app ensures that Ooredoo Palestine customers will opt for digital sales in the future, to increase revenue and optimise cost.

As part of Ooredoo Palestine’s strategy to push customers towards digital channels, the company increased its total spend on digital marketing for 2019 dramatically. Additionally, the company invested in digitalisation internally, and automated all human resources services to become 100% paperless, leading to higher employee satisfaction rates. Ooredoo Palestine also established a dedicated ‘Customer Experience’ department comprising representatives from all departments, to analyse, manage and enhance customer satisfaction through all touchpoints during a customer’s journey.

Ooredoo Palestine continued to focus on customer attraction and retention through its Nojoom loyalty programme, which is compatible in 2G and 3G markets. The success of the programme solidifies Ooredoo Palestine’s leading position in the market and is further proven by Ooredoo Palestine’s Customer Satisfaction Score that shows the company is 11 points ahead of its competitor in the West Bank, and seven points ahead in Gaza.

Committed to introducing innovative initiatives to all its stakeholders, Ooredoo Palestine launched its own independent E-Topup service over its Sales Distribution System for vendors and Point of Sales.

During the year, Ooredoo Palestine enhanced its 3G network to support the increased demand and managed high growth traffic, through the most reliable and protected data network design. Through this, the company successfully expanded its network to cover 97% of the population and covered remote areas.

Financially, Ooredoo Palestine performed well in 2019, and successfully maintained its leading position as the growth leader in the market. The company saw growth in its customer base to 1.3 million testament to the success of its investments into customer-drive initiatives. Revenue was QR 362 million supported by 3G services in the West Bank. EBITDA was up 13.5% to QR 109 million, compared to QR 96 million in 2018, due to cost optimisation strategy. On the net income front, the company registered a positive net income for the second year in a row.

Ooredoo is driven by its commitment to benefit the community in which it operates. With this, Ooredoo Palestine continues to invest in education amongst the youth in the country, through supporting several educational programmes such as training sessions for budding journalists and a partnership with universities to market employment readiness activities and foster a culture of growth and development for its students.

The company also supports local community organisations that specialise in supporting Palestinian students within refugee camps and from marginalised areas in society.

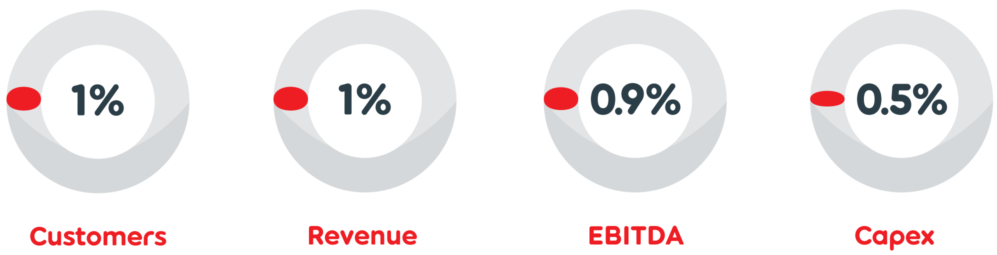
Ooredoo Palestine organised a Ramadan campaign to provide direct financial support to a total of five charities. Four of these charities operate in the West Bank and aim to provide better living circumstances for orphans and children with autism, and one operates in Gaza to provide support to the elderly.

Ooredoo sponsored the Palestinian Football League for the fourth year, during which 24 football teams benefited from the sponsorship. The sponsorship - supported by parent company, Ooredoo Group - has had a significant impact on strengthening the Ooredoo brand amongst Palestinians.

Outlook

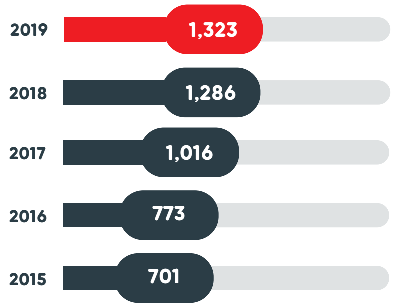
During 2020, Ooredoo Palestine will continue to strengthen its data leader position through its innovative customer-focused initiatives, and will maintain its focus on 3G in order to meet the growing demand in the Palestine market.

Operator importance to Group



Total Customers (In Thousands)

1,323



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	303	306	312	366	362
EBITDA QRm	78	80	69	96	109
EBITDA Margin %	26%	26%	22%	26%	30%
Blended ARPU* QR	29.2	27.2	25.1	21.5	23.0
Employees No.	419	447	572	534	537

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

“

2019 was a great year for Ooredoo Maldives, increasing our net profit by 10%, as we maintained our focus on investing in infrastructure and first-of-its kind initiatives to fulfil our commitment towards a digital Maldives. We introduced several firsts to the country, including our nationwide e-commerce marketplace, Moolee, an AI-powered digital care assistant - E'vee - and leading-edge technologies such as e-SIMs, LTE Voice and VoLTE.

”

Najib Khan
MD & CEO, Ooredoo Maldives

Ooredoo Maldives

Overview

In 2019, Ooredoo Maldives further strengthened its leadership in the mobile data segment and reported increased revenues from the enterprise, fixed and post-paid business segments. Furthermore, the company launched several first-of-its-kind initiatives, testament to its commitment to the local community and the digital enablement of the nation.

Ooredoo Maldives launched the nation's first e-commerce marketplace, Moolee, as part of the commitment to a digital Maldives to streamline the user shopping experience from initial orders and online payments to nationwide delivery of goods. Equipped with Artificial Intelligence technology, Moolee enables consumer data-based recommendations, predictive analytics, integrated customer support and uninterrupted 24-hour service.

m-Faisaa, Ooredoo Maldives' innovative mobile payment platform, expanded to cover new partners across various sectors. The platform was used as a medium for payment for Fitr Zakat, in partnership with the Ministry of Islamic Affairs. The app won several awards including 'Most Innovative Payment Service' at the Telecom Asia Awards 2019 and a Silver Stevie for the 'Innovative Use of Technology in Customer Service' at the annual Stevie APAC Awards.

During 2019 the company enhanced its My Ooredoo App by integrating m-Faisaa and Moolee into a single user interface, providing customers with an end-to-end digital experience, subsequently increasing digital engagement. In addition, Ooredoo Maldives launched E-vee, a digitally powered customer care assistant that answers queries at the call centre and on social media platforms such as Facebook Messenger, Viber and WhatsApp.

The company further invested in leading-edge technologies such as VoLTE and Voice over Wi-Fi services, which have enhanced voice services over the Ooredoo network and which enable customers to enjoy voice calls with high quality and clarity, in addition to the benefits of high speed connection, noise cancellation and network fallbacks. Additionally, e-SIM services, which are now available in the Maldives, are also of great convenience to Maldivians and to the millions of visitors the nation receives each year.

Ooredoo Maldives introduced dedicated and customised plans for specific communities offering free calls and other benefits, including the launch of specific plans for farmers, teachers and doctors.

In 2019, fixed broadband access remained a priority for Ooredoo, as the company expanded its Supernet broadband services to cover 65% of the population, including Gn. Fuvahmulak, making it the first gigabit city in the Maldives. Investments were made towards strengthening its network, as the company prepares to lead the 5G revolution in the Maldives.

Content continued to be well received by customers, as the company further capitalised on the growth opportunities within the digital space and launched Amazon Prime bundles through its My Ooredoo App, a first-of-its-kind initiative globally.

Ooredoo Maldives invested in its Enterprise business segment, through the revamp of its Supernet business plans which provided higher usage allowance with speeds up to 20Mbps. The company also allowed businesses to manage their subscribed products and services through the introduction of the 'Ooredoo Business Portal'.

Testament to Ooredoo Maldives' continuous efforts to provide customers with innovative solutions are the results of the Brand Equity Index (BEI), indicating that Ooredoo Maldives surpassed the competition's score for the very first time. Similarly, Ooredoo's Customer Satisfaction scores also continued a positive trajectory throughout the year.

Financially, Ooredoo Maldives delivered a higher EBITDA and net profit, which stood at QR 264 million and QR 141 million respectively. Revenue increased by 4.4% compared to 2018, due to the increase in revenue generated from post-paid, fixed broadband, and enterprise solutions.

The company continues to operate and innovate in line with its pledge to the United Nations Sustainable Development Goals, which aim to eradicate extreme poverty, improve the lives of people and create an all-round healthier world for tomorrow. Ooredoo Maldives understands the role digital technologies play towards achieving these goals.

In 2019, Ooredoo Maldives invested in digital classrooms to expand the reach of quality education to students without access to colleges, as well as prisoners in detention as part of their rehabilitation process, and held vocational training through its learning platform, Ooredoo Smart Campus.

The company's NIRU Accelerator Programme, an initiative for innovative start-ups working towards social change, witnessed the launch of three innovative start-ups. Ooredoo Maldives' commitment to the development of local communities was recognised globally as the NIRU Accelerator Programme was awarded a Silver Stevie at the annual Stevie APAC Awards for 'Corporate Social Responsibility Programme of The Year' across Asia, Australia and New Zealand.

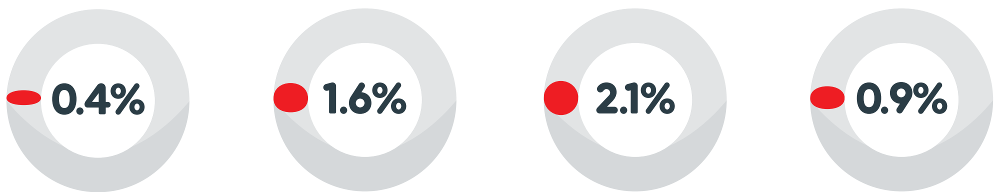
The company strengthened its ties to the community through several CSR initiatives including its continued partnership with Give definition of acronym UNDP Maldives for Miyaheli social Innovation Camp, and its collaboration with the Ministry of Higher Education for the Corporate Scholarship Scheme to offer more opportunities for those seeking higher studies.

Ooredoo Maldives is continuously recognised internationally for its digital transformation efforts and initiatives, with the company being awarded 'Best Telecom Company, Maldives' and 'Best CSR Programme of the Year, Maldives' at the International Business Magazine Awards 2019. Ooredoo Maldives was honoured with the prestigious title of 'Business of the Year' at the Maldives Business Awards 2019, as well as winning the 'Best CSR Programme of the Year' for its collaboration with UNDP and HDC Maldives on the Smart Cities Project.

Outlook

The company's connection to the people of Maldives will remain a priority for 2020 and beyond, and as such Ooredoo Maldives will continue to act as an enabler towards a transformational era of innovative technologies, driven by network enhancement. The company will continue to focus on digitalisation and leveraging content solutions to drive further growth.

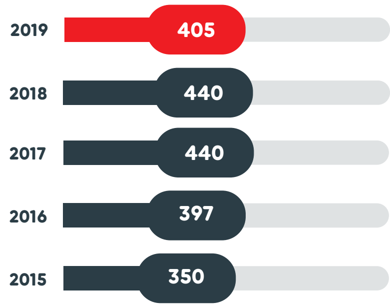
Operator importance to Group



Customers Revenue EBITDA Capex

Total Customers (In Thousands)

405



Financial performance

	2015	2016	2017	2018	2019
Revenue QRm	288	381	435	461	481
EBITDA QRm	133	206	236	237	264
EBITDA Margin %	46%	54%	54%	52%	55%
Blended ARPU* QR	50.3	48.6	53.3	52.3	56.2
Employees No.	317	331	345	359	370

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

Providing a solid foundation

Ooredoo aims to be a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to its stakeholders.

"The Board of Directors and senior executives are entrusted with overseeing and managing Ooredoo Group, and this important responsibility requires commitment, objectivity and accountability from those in leadership positions.

Our role is to ensure the implementation of the highest governance principles and ethics in the company. We implement best practices in accordance with the requirements of stock markets in which Ooredoo is listed.

We assure our shareholders that the principles and policies of governance we implement are the basis for each decision we issue and procedure we implement at Ooredoo Group level."

Abdulla Bin Mohammed Bin Saud Al-Thani
Chairman of the Board

1. Ooredoo values and corporate governance philosophy

Ooredoo's Board and management believe that good corporate governance practices contribute to the creation, maintenance and increase of shareholder value. Sound corporate governance principles are the foundation upon which the trust of investors is built, and are critical to growing a company's reputation for its dedication to both excellence and integrity.

In order to establish a distinct model of commitment and compliance, the Board of Directors has taken into account the provisions and principles set out in the Commercial Companies Law number 11 for 2015, and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority and other related laws and regulations set by QFMA, taking these into consideration when drafting laws and regulations of the company to instill a culture of governance across the company, and in the practices of all of its employees with the best implementation of the adjudications of the code.

As Ooredoo continues its rapid growth and global expansion, it is particularly critical to demonstrate to its shareholders, customers, employees and communities the same high levels of commitment and good corporate citizenship that have earned it a strong reputation in Qatar.

Ooredoo aims to be a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to its stakeholders. This includes a commitment to the highest standards of corporate governance, by regularly reviewing the governance structures and practices in place to ensure their effectiveness and consistency with local and international developments.

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

1. Updating and improving the company's articles of association.
2. Updating and improving governance policies and procedures guides.
3. Updating and implementation of the board's and sub-committees' charter.
4. Implementation of best practices adopted in the State of Qatar.
5. Updating and improving internal procedures and policies.

As outlined in the report, we at Ooredoo affirm that we abide by the provisions of governance rules and related regulations issued by QFMA, as well as disclosure requirements.

2. Role and Responsibilities of the Board of Directors

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

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

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

- **Vision and strategy:** determining and refining the Group vision and objectives, as well as those of Ooredoo, which are the foundation for all the actions and decisions of the Board and management.
- **Management oversight:** appointing the CEO, establishing his duties and powers, assessing his performance and determining his remuneration; nominating the Board members and the key officers of Ooredoo and its Group.
- **Financial and investment:** reviewing and approving reports and accounts and overseeing the Group and Ooredoo financial positions.
- **Governance and compliance:** preparing and adopting the corporate governance rules for Ooredoo and establishing guidelines for the governance of the Group.
- **Communication with stakeholders:** overseeing shareholder reporting and communications.

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

Based on the above, disclosure to stock markets in Qatar and Abu Dhabi where Ooredoo's stocks are listed, by means of quarterly reports and complete annual financial statements, reflects Ooredoo's commitment to the terms and conditions of relating stock markets.

Responsibilities of the Board have been outlined in the company's articles of association and the board's charter in compliance with the Company's Law and the Corporate Governance and Legal Entities System.

3. Board Members:

Ooredoo's Board of Directors has the following members:

1.	H.E. Sh. Abdulla Bin Mohammed Bin Saud Al Thani	Chairman	Non independent / non executive member
2.	H.E. Ali Shareef Al Emadi	Vice Chairman	Non independent / non executive member
3.	H.E. Mohammed Bin Issa Al Mohannadi	Member	Non independent / non executive member
4.	General Retirement & Social Insurance Authority represented by H.E Mr. Turki Mohammed Al Khater	Member	Non independent / non executive member
5.	Mr. Aziz Aluthman Fakhroo	Member	Non independent / non executive member
6.	Mr. Nasser Rashid Al Humaidi	Member	Non independent / non executive member
7.	Ali Bin Ghanim Al-Thani Group represented by Sheikh Ali Bin Ghanim Bin Ali Abdullah Al Thani	Member	Independent / non executive member
8.	Mr. Ibrahim Abdulla Al Mahmoud	Member	Independent / non executive member
9.	Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa	Member	Independent / non executive member
10.	Dr. Nasser Mohammed Marafih	Member	Non independent / non executive member

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

4. Board Meetings:

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

It is worth mentioning in this context that the Board of Directors held six (6) meetings in 2019. It is also worth mentioning that the quorum for the Board's meetings has been fulfilled according to Commercial Company's Law No 11 for 2015, and the articles of association of the company, and the Corporate Governance Manual and the Legal Entities listed on the main market issued by QFMA.

In accordance with Ooredoo's Corporate Governance Manual, the Board conducts an annual evaluation of its performance on the individual and collective levels using a questionnaire specifically designed for this purpose, where the Board's collective performance is evaluated, as well as its members' performance, and that of its committees to investigate the familiarity of the Chairman and members of the Board with the duties as set forth in the Corporate Governance Manual and the Articles of Association of the Company, the Commercial Companies Law No. 11 for 2015, and the Corporate Governance Code issued by the Qatar Financial Markets Authority, as well as to inform them of the latest developments in the field of governance, and based on some requirements or the results of the evaluation process, development programmes are designed for each individual board member.

In case of real deficiency in the performance of a Board member, which was not resolved at the appropriate time, then the Board shall have the right to take the appropriate action in accordance with Law and Corporate Governance. In this regard, each Board member signs a declaration that he is fully familiar with the Corporate Governance Manual and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority and that they are committed to implementing them as a Board member.

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

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

Board Member Name	Number of Board Meetings Attended During 2019
H.E. Sh. Abdulla Bin Mohammed Bin Saud Al Thani	6
H.E. Ali Shareef Al Emadi	6
H.E. Mohammed Bin Issa Al Mohannadi	6
General Retirement & Social Insurance Authority represented by H.E Mr. Turki Mohammed Al Khater	6
Mr. Aziz Aluthman Fakhroo	6
Mr. Nasser Rashid Al Humaidi	6
Ali Bin Ghanim Al-Thani Group represented by Sheikh Ali Bin Ghanim Bin Ali Abdullah Al Thani	5
Mr. Ibrahim Al Mahmoud	6
Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa	6
Dr. Nasser Mohammed Marafih	5

5. Composition and Remuneration of the Board:

The Board of Directors is composed in accordance with Article 22 of the Company's Articles of Association. The Board of Directors consists of 10 non-executive members, five of whom, including the Chairman, shall be appointed by the Qatar Holding. The other five Board members are elected by secret ballot of the General Assembly according to the applicability of the terms of the nomination on them. A Board member's term is three years and may be renewed. To maintain minority's rights, Article 45 of the Articles of Association provides for that shareholders holding no less than 10% of the capital have the right to call for a General Assembly meeting.

The Company pursues separation between positions of the Chairman of the Board and any other executive position in the company, where H.E. Sh. Abdulla Bin Mohammed Bin Saud Al Thani is the Chairman, Sh. Saud Bin Nasser Bin Faleh Al Thani is the Group CEO of Ooredoo and responsible for its management, and Waleed Al-Sayed is the Deputy CEO of Ooredoo Group and the CEO of Ooredoo Qatar, with responsibility for its business in Qatar.

The value of the Board's remunerations for the period ending 31 December 2018 amounted to QR14,400,000.

6. Conflict of Interests:

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

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

Furthermore, the Company complies with Articles 108,109,110, and 111 of the Commercial Companies Law No. 11 for 2015 that states the following:

1. The Chairman or a Board member may not participate/engage in any business that competes with the company's business, or may not be involved, either on his/her own behalf or on others' behalf, in any type of business or activities in which the Company is engaged, otherwise the Company is entitled to ask him/her for compensation or take the ownership of the activities he/she is engaged in.

2. The Chairman, a Board member, or a Director is not permitted to practice any activity that is similar to the Company's activities, or to have any direct or indirect interest in contracts, projects and covenants made in favour of the Company.

3. The company may not offer a cash loan of any kind to any member of its Board of Directors or to guarantee any loan held by one of them with others, or make an agreement with banks or other credit companies to lend money to any of the Board members, or open a facility or guarantee a loan with other parties beyond the terms and conditions set by the Central Bank of Qatar. Agreements beyond the provisions of this Article will be considered null and void, and the company retains it rights to request compensation when necessary from the offending parties.

4. It is prohibited for the Chairman and the Board members or the company's staff to take advantage of any information delivered to his/her knowledge by virtue of his/her membership or position for the benefit of him/herself, his/her spouse, his/her children or any of his relatives to 4th degree either directly or indirectly, as a result of dealing in company securities of the company. Nor may they have any interest, directly or indirectly, with any entity conducting operations intended to make a change in the securities prices issued by the company, and this ban stays in effect for three years after the expiry of the person's membership in the Board of Directors or the expiry of his work in the company.

7. Duties of the Board of Directors

The role of the Board of Directors is to lead the company in a pioneering way within the framework of effective directives that allow for risk assessment and management. The Board of Directors has the authority and full power to manage the Company and continue business to fulfil the fundamental goal of upholding shareholders' rights, in addition to the following tasks:

1. Determine the terms of reference, duties, and powers of the Chief Executive Officer and assess his performance and remuneration.
2. Evaluate, withdraw and define the powers granted to the members of the Board of Directors and Board committees, and define ways of exercising the powers, and formulating a policy for that.
3. Monitor the performance of the senior executive management; review management plans in relation to the replacement process and the arrangements for remunerations of senior executive management.
4. Verify the appropriateness of organisational, administrative and accounting structures for the Company and its Group, with a focus on the internal control system.
5. Ensure adequate planning for the succession and replacement of senior executive management.
6. Provide recommendations to appoint, re-appoint or quarantine the auditor appointed by the shareholders on the basis of their consent during the Annual General Meeting of the Company, as recommended by the Audit and Risk Management Committee.
7. Direct members of the Board of Directors and provide them with continuous guidance through planning of the induction and guidance programmes. The Chairman of the Board is responsible for consistently providing induction and guidance programmes to Board members, to help them perform their duties and ensure they understand ongoing developments on Company issues.
8. Members of the Board of Directors are expected to be seriously committed to the Board and the Company, and also to develop and expand their knowledge of the Company's current operations and its main business, and to be available to contribute to the work of the Board and Committees.
9. Members of the Board of Directors and the senior executive management will be trained according to capacity.
10. Review and approval of company's major strategic plans and oversee its execution.
11. Oversee company's special corporate governance system and the extent of its abidance by the System of Corporate Governance and legal Entities listed on the main market.
12. Approval of the Guide of Executing the Company's Strategy and Objectives prepared by the higher executive management, which should include determination of means and tools of rapid communication with the authority and other regulatory parties, and all other parties concerned with governance including nominating a point of contact.
13. Establishing of internal control rules and controls, and of them through a written policy that regulates conflict of interests and resolves any situation conflict for all Board members and the higher executive management and shareholders. In addition to establishing a complete disclosure system which accomplishes justice and transparency, preventing the conflict of interests and taking advantage of information.
14. Developing precise policies for Board membership, according to applied laws.

15. Drafting of a written policy to organise and regulate the relationship between stakeholders and their rights.
16. Creation of policies and procedures for disclosure to shareholders, debitors, and stakeholders.
17. Invitation of all shareholders to attend the General Assembly Meeting according to the Companies' Law, and the company's articles of association.
18. Approval of the nominations related to appointments at the higher executive management, and the progression plan for these roles.
19. Creation of awareness programmes as necessary to spread a culture of auto-regulatory and risk management in the company.
20. Approval of a written and clear policy determining the basics and method of remunerating Board members and determining the remuneration and incentives of the higher executive management and the workers in the company according to principles of corporate governance and legal entities listed on the main market without any discrimination and achievement of approval by the General Assembly.

8. Liabilities of the Board

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

1. Attend the meetings of the Board's and its committees, and not to retire the Board except for a necessity and at the appropriate time.
2. Hold high the interest of the company, partners, shareholders and all stakeholders, and favour it over their private interest.
3. Provide an opinion on the strategic issues of the company, its policy in the implementation of its projects, systems of accountability of employees, their resources, basic appointments and work standards.
4. Monitor the performance of the company in achieving its goals and objectives, and to review reports on its performance, including the annual, semi-annual and quarterly reports.
5. Supervise the development of the procedural rules for governance and work to ideally implement them in accordance with this system.
6. Benefit from their diverse skills and expertise to diversify their competencies and qualifications in managing the company in an efficient and productive manner, and to work to realise the interest of the company, partners, shareholders and other stakeholders.
7. Participate effectively in the Meetings of the Company's General Assembly and meet the demands of its members in a balanced and fair manner.
8. Refrain from giving any statements, data or information without prior written permission from the President or his authorised representative. The Council shall nominate the official spokesperson of the Company.
9. Disclose financial and commercial relationships and lawsuits that may negatively affect performing any functions assigned to the board.

9. Chairman of the Board's role and duties

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

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

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

10. Qualifications and Duties of the Board Secretary

The Board of Directors has appointed Sheikh Ali Bin Jabor Al-Thani as Secretary of the Board of Directors. Sheikh Ali holds a Bachelor's degree in law from Sharjah University (2010). In 2010, he became a legal advisor in the real estate sector, and in 2013 he joined Ooredoo and continued until he was appointed as Chief of Legal and Regulatory Department in Ooredoo Qatar in 2018 he was appointed in the position of Acting Chief of Corporate Governance for Ooredoo Group.

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

1. Preparation and revision of Board meetings' minutes
2. Filing of the Board's decisions in a well-maintained record according to meetings' numbers and the decisions according to its issue date.
3. Preserving the Board's meetings-related minutes, decisions, memorandums and reports on paper and in electronic formats.
4. Send meetings invitations to Board members with the meeting agenda two weeks prior to the meeting date, and receiving members' requests to add an item or more to the meeting agenda mentioning the date of its submission.
5. Full coordination between the Chairman of the Board and its members and concerned parties and stakeholders including shareholders and the administration and employees.
6. Provide the Chairman and members quick access to all company documents including its data and information.
7. Keep Board members' declaration of no combination between membership of the board and occupations from which they are prohibited, according to Companies Law and Corporate Governance System issued by the commission.

11. The Company's Irregularities

As a leading company in its own field, and in the telecommunication sector, Ooredoo Board of Directors and its top management are keen to implement all rules and regulations outlined in corporate governance and legal entities listed on the main market order issued by Qatar Financial Markets Authority and Commercial Companies Law No. (11) for 2015. Accordingly the company did not commit any irregularity during 2019.

There is no lawsuit against, or brought to court by the company, that is still pending with no ruling up to the date of preparing this Governance report.

12. Board Activities in 2019

In 2019, Ooredoo's Board of Directors achieved a number of key governance goals and supervised the implementation of a number of key successful initiatives, including:

- Approving the Group's performance report for 2018;
- Approving the Group's financial consolidated statements for 2018 and providing a recommendation to the General Assembly in this regard;
- Approving submitting a recommendation to the General Assembly regarding the appointment of Deloitte & Touche as the auditors of the Company for 2019;
- Approving the Governance Report for 2018 and providing a recommendation to the General Assembly in this regard;
- Approving distributing a cash dividend of 25% of the nominal share value, and the remunerations of the Chairman and members of the board, and providing a recommendation to the General Assembly in this regard;
- Approving the business plan of the Group for the years 2019, 2020 and 2021, as well as the budget and financing plan for 2019;
- Approving the financial strategy of the Group;
- Approving the recommendation submitted by the Nomination and Remunerations Committee to assess the performance of Ooredoo Group CEO and Ooredoo Qatar CEO during 2018;
- Approving a number of technical decisions related to investment opportunities;
- Following up on executing the Group strategy for the coming years, and allocating the necessary budget to do so; and
- Determining the permitted risk margin for the Group's companies.

13. Role of Board Committees

In order to make the decision-making process more efficient and to support the vision relating to corporate governance, the Board has three main committees: Executive Committee, Audit and Risks Committee and Nomination and Remuneration Committee.

Each committee is composed of not less than three Board members (to be appointed by the Board), taking into account the experience and capabilities of each Board member participating in the committee. The Board may substitute the committee members at any time.

Each of the Board committees works in accordance with a written charter approved by the Board of Directors that clarifies its responsibilities and authorities. The charter of each committee has verified that it is in line with the Corporate Governance Code and Articles of Association of the Company and the Commercial Companies Law No. 11 for 2015, and the Corporate Governance Code of the Qatar Financial Markets Authority.

Board Committees

Committee	Name of Board member	Position
Executive Committee	H.E. Mohammed Bin Issa Al Mohannadi	Chairman
	H.E. Turki Mohammed Al Khater	Member
	Dr. Nasser Mohammed Marafih	Member
	Mr. Abdulla Mubarak Al-Khalifa	Member
Audit and Risks Committee	Mr. Nasser Rashid Al-Humaidi	Chairman
	Sheikh Ali Bin Ghanim Bin Ali Abdullah Al Thani	Member
	Mr. Abdulla Mubarak Al-Khalifa	
Nomination and Remuneration Committee	H.E. Turki Mohammed Al Khater	Chairman
	Dr. Nasser Mohammed Marafih	Member
	Mr. Aziz Aluthman Fakhroo	Member

A. Executive Committee

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

The committee is also responsible for studying issues that need detailed and in-depth review before presenting to the Board for final decision. It also oversees Ooredoo's strategy and methods deployed for adopting financial and strategic investments.

In 2019 the committee completed a number of major projects:

- Reviewed investment opportunities and made recommendations to the Board of Directors;
- Reviewed subsidiaries' work plans and their budgets and provided recommendations to the board in this regard;
- Reviewed recommendations for awarding contracts, and took appropriate decisions;
- Reviewed the status of Ooredoo Group companies to determine suitability and its position in the markets in which it operates, and made recommendations to the Board of Directors;
- Reviewed the Company's investment portfolios;
- Reviewed the strategies of the Group's companies and set their priorities;
- Approved updating the financial limits of other parties (banks and financial institutions);
- Approved the Group work plan for 2019, 2020, and 2021, as well as approving 2019 budget, and providing a recommendation to the Board in this regard.
- Approved Ooredoo Group work plans for 2019, 2020, and 2021, as well as approved the 2019 budget, and provided a recommendation to the Board in this regard.
- Approved the financing strategy and plan for 2019 and provided a recommendation to the Board in this regard.
- Approved Ooredoo Qatar work plans for 2019, 2020 and 2021, as well as approved the 2018 budget and provided a recommendation to the Board in this regard.

The committee held seven (7) meetings in 2019.

According to the annual evaluation, the Board of Directors is satisfied with the committee's performance while executing its responsibilities and authorities, as well as the recommendations it provided during the year ending 31 December 2019.

	Member's Name	Number of the Executive Committee's Meetings the Member has attended during 2019
1.	H.E. Mr. Mohammed Bin Eissa Al Mohannadi	7
2.	General Retirement & Social Insurance Authority represented by H.E Mr. Turki Mohammed Al Khater	7
3.	Dr. Nasser Mohammed Marafih	7
4.	Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa	7

B. Audit and Risks Committee

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

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

The committee also sets up communication channels between executive management and internal and external auditors.

In addition, the Committee reviews risk management reports, and advises the Board on all matters that need attention and seek a decision. The Committee also puts great emphasis on investigating any violations in the Group's companies.

In 2019 the committee completed a number of major works including:

- Reviewed the annual and quarterly internal audit reports regularly;
- Reviewed annual and quarterly Risk Management Report regularly;
- Reviewed the annual disclosure results for 2019;
- Reviewed the results of the Internal Audit Quality Assurance Review for Ooredoo and Group companies;
- Approved the internal audit department plan for Group based on risks for 2019;
- Approved quarterly financial statements, and reviewed the annual financial statements and submitted a recommendation to the Board;
- Approved the selection process of the auditors for the Group's department of internal audit to affirm and improve quality for 2019 and reviewed its results. Approved the appointment of an auditor for the Company's accounts for 2019 and submitted a recommendation to the board in this regard;
- Reviewed the charter of Ooredoo Group internal audit department, whistleblowing policy and procedures charters of the Board's committees (Audit and Risk Management Committee, Executive Committee, and Remunerations and Nominations Committee), Remunerations policy for Board, and Executive Management members, policy of appointing Board members, policy for appointing an Auditor, policy for appointing directors and the executive management, disclosure policy, related parties transactions policy, Board members performance policy, and stakeholders policy, and refer them to the Board;
- Reviewed amendments to Ooredoo articles of association, and raised the to the Board
- Approved the results of the performance index of the Group's internal audit department and Governance department for 2018;
- Approved the index of Group internal audit department performance, and the index for the performance of the Governance department for 2019;
- Approved the budget of Group internal Audit department and the Governance department for 2019;
- Approved the Governance report for 2018 and referred to the Board;
- Reviewed Governance report on aligning the company's position with the order of governance and entities listed on the market with QFMA instructions and refer it to the Board;
- Reviewed Group Internal Audit Department report on internal control according to the requirements of the company's governance order and entities listed on the market and refer it to the Board;
- Approved the amendment of the organisational structure of the Internal Audit Department;
- Approved the amendments of the organisational structure of the Governance Department and recommend that to the remunerations and nominations committee;
- Reviewed activities of internal control systems over financial reports for fiscal year 2019;
- Reviewed the plan for reviewing internal control rules over financial reports for the fiscal year 2020 and referred it to the Board;
- Reviewed the auditor's plan for the company's annual audit review for 2019.

The committee held nine (9) meetings during 2019.

According to the annual evaluation, the Board of Directors is satisfied with the Committee's performance while executing its responsibilities and authorities, as well as the recommendations it provided during the year ending 31 December 2019.

	Members Name	Number of the Audit and Risk Management Committee's Meetings the member has attended during 2019
1.	Mr. Nasser Rashid Al Humaidi	9
2.	Mr. Abdulla Mubarak Al-Khalifa	9
3.	Sheikh Ali Bin Ghanim Bin Ali Abdullah Al Thani	8

C. Nominations and Remunerations Committee
The committee comprises three members. It assists the Board in executing its responsibilities with regards to nominating and appointing Ooredoo Board members, and Board members of its subsidiaries, and determining the remuneration of the Chairman and members of the Board, and the remuneration of members of the senior executive management and employees. The committee also takes part in assessing the performance of the Board.

In 2019, the committee completed a number of major works:

- Approved the suggested changes to the organisational structure of Group Financial Administration;
- Approved performance index card for Ooredoo Qatar for 2018;
- Approved issuing the annual motivation 100% for Ooredoo Group for 2018;
- Approved the Corporate Governance department proposed structure in the Group;
- Approved the appointment of a Chief Executive Officer for Ooredoo Myanmar;
- Approved performance index card for Ooredoo Group for 2018;
- Approved the appointment of Mrs. Noor Al Sulaiti in the position of Chief Executive Officer of Starlink;
- Approved the suggested amendments in "KAFO", the motivation plan;
- Approved the performance evaluation of the CEO of Ooredoo Group for 2018, recommended to the Board;
- Approved the new organisational structure of the Group's Wholesale Department;
- Appointed a CEO for the Wholesale Department as soon as possible, who should take responsibility of appointing staff members at the department;
- Approved Qatarisation strategy in Ooredoo Qatar, with a work plan for the strategy to be provided to the committee;
- Approved the proposition of restructuring the Finance Department in Ooredoo Qatar;
- Approved appointing representatives for Ooredoo Group on Boards of SPV's Companies registered with QFC;
- Approved appointment of Mr. Ahmad Abdulaziz Al Neama as CEO of Indosat Ooredoo, succeeding Chris Kanter;
- Approved the appointment of Mr. Mansoor Rashid Al-Khater as CEO of Ooredoo Tunisia succeeding Mr. Youssef Al Masri;
- Approved appointment of Mrs. Fatima Sultan Al Kuwari as new Chief Consumer Officer succeeding Damian Philip Chappell.

The committee held eight (8) meetings during 2019.

According to the annual evaluation, the Board of Directors is satisfied with the committee's performance while executing its responsibilities and authorities, as well as the recommendations it provided during the year ending 31 December 2019.

Members Name		Number of The Nominations and Remunerations Committee Meetings the member has attended during 2019
1.	General Retirement & Social Insurance Authority represented by H.E Mr. Turki Mohammed Al Khater	7
2.	Mr. Aziz Aluthman Fakhroo	7
3.	Dr. Nasser Marafih	7

14. The Executive Management

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

Executive Manager Name	Summary Curriculum Vitae
Mr. Waleed Al-Sayed Deputy Chief Executive Officer, Ooredoo Group and Chief Executive Officer, Ooredoo Qatar	Mr. Waleed Al-Sayed is the Deputy Chief Executive Officer of Ooredoo Group and Chief Executive Officer of Ooredoo Qatar since November 2015. Mr. Al-Sayed joined Ooredoo in 1987 and held several important positions in a number of departments such as Operations Management, Sales, Marketing, Project Management, Business Solutions, Communications, Public Relations and Customer Service. He oversaw the implementation of several corporate social responsibility initiatives, reinforcing Ooredoo as a community-focused company and contributing to the company's efforts to win numerous local, regional and international awards. Mr. Al-Sayed holds an Executive MBA in Business Administration with Honours from HEC Paris.
Mr. Yousuf Abdulla Al Kubaisi Chief Operating Officer, Ooredoo Qatar	Mr. Yousef Abdullah Al Kubaisi was appointed Chief Operating Officer at Ooredoo Qatar in November 2015. Mr. Al Kubaisi joined the company in 1987 and has held several managerial positions related to international telecommunication infrastructure, corporate services and legislative functions. In June 2012, Mr. Al Kubaisi was appointed as Head of Corporate Sales and International Services at Ooredoo Qatar, where he helped the company expand its partnerships with many operators and global telecoms companies. In 2014, Mr. Al Kubaisi was appointed Chief Executive Officer of Ooredoo Global Services specialising in corporate sales. He has been instrumental in leading the company's growth internationally. Mr. Al Kubaisi holds a bachelor's degree in Electrical Engineering from the University of Western Michigan in the United States of America.
Mr. Abdulla Ahmed Al-Zaman Chief Finance Officer, Ooredoo Qatar	Mr. Abdulla Ahmed Al-Zaman was appointed as Chief Finance Officer of Ooredoo Qatar in January 2018, after joining the Group in 2013 and holding multiple senior roles. He is responsible for facilitating organisational accountability and transparency, maintaining sustainable value for shareholders and other stakeholders. Mr. Al-Zaman has extensive experience in leadership roles within finance, both in telecommunications and other industries. He holds a bachelor's degree in Finance & Business Administration from California, USA, and an EMBA from the University of Hull.
Mr. Mohammad Al-Kuwari Chief Corporate Services Officer, Ooredoo Qatar	Mr. Mohammed Al-Kuwari was appointed as Chief Corporate Services Officer of Ooredoo Qatar in January 2012, having joined the company in 2005. He is responsible for Human Resources, Procurement and Supply Chain, Building and Support Services and Operational Excellence. Mr. Al-Kuwari has more than 20 years of rich and diverse experience in HR, Procurement and Support Services. He has a bachelor's degree in Science – Business Administration from The American University, Washington DC.
Ms. Munera Fahad Al-Dosari Chief Strategy Officer, Ooredoo Qatar	Ms. Munera Fahad Al-Dosari was appointed as Chief Strategy Officer of Ooredoo Qatar in February 2017, after joining the Group in 2010. Ms. Al-Dosari is responsible for the formulation and implementation of Ooredoo Qatar's corporate strategy to help meet business plan and strategic goals. She has worked on various high-profile programmes and projects and has been instrumental in implementing industry-leading governance frameworks. Ms. Al-Dosari has a bachelor's degree in Electronics Engineering from University of Portsmouth and an Executive Specialised Master, Strategic Business Unit Management from HEC Paris, Qatar.
Sheikh Ali Bin Jabor Al-Thani Chief Legal & Regulatory Officer, Ooredoo Qatar	Sheikh Ali Bin Jabor Al-Thani was appointed Chief Legal & Regulatory Officer of Ooredoo Qatar in March 2016, having joined the Group in 2013 in the Corporate Governance department. Sheikh Ali is responsible for the provision of strategic, proactive and forward-looking advice to business units, CEO and the Board on all aspects of external contracting, internal policies, litigation and compliance within the legal and regulatory frameworks in Qatar. Sheikh Ali has a bachelor's degree in Law from the University of Sharjah.
Mr. Günther Ottendorfer Chief Technology & Infrastructure Officer, Ooredoo Qatar	Mr. Günther Ottendorfer was appointed as Chief Technology and Infrastructure Officer of Ooredoo Qatar in January 2019, having 25 years of experience. He served during that period in top telecommunications companies such as Sprint, Telekom Austria, T-Mobile and Optus in Australia. Before joining Ooredoo he was Chief Operations Officer at Sprint Corporation USA.
Sheikh Nasser bin Hamad bin Nasser Al Thani Chief Business Officer, Ooredoo Qatar	Sheikh Nasser bin Hamad bin Nasser Al Thani was appointed as Chief Business Officer of Ooredoo Qatar in July 2017. In his current role he is responsible for end-to-end profit and loss accountability for Ooredoo Qatar's B2B portfolio including Connectivity, ICT and Mega Projects as well as the Qatar Data Centre. Sheikh Nasser has an MBA from the University of Wales, a bachelor's degree from Qatar University and has attended various Executive Development programmes from HEC Paris, London School of Economics and IMD Switzerland. He also holds a Telecoms Mini MBA from Telecoms Academy, United Kingdom.
Mr. Damian Philip Chappell Chief Consumer Officer, Ooredoo Qatar	Mr. Damian Philip Chappell was appointed as Chief Consumer Officer of Ooredoo Qatar in July 2017, having been one of the driving forces behind Ooredoo Qatar's Product Marketing team since joining Ooredoo in 2008. In his role, Mr. Chappell was responsible for all customer facing activities and product offerings for our Retail Customers. Mr. Chappell has a bachelor's degree in Applied Science in Information Technology from Swinburne University of Technology, Australia.

Ms. Fatima Sultan Al Kuwari Chief Consumer Officer, Ooredoo Qatar	Prior to succeeding Mr. Chappell as CCO in November 2019, Ooredoo Qatar, Ms. Al Kuwari was Ooredoo Group's Executive Director – Marketing, leading the Group's marketing function and driving commercial strategy and digital transformation journey to achieve substantial business growth. She holds a B.S. in Computer Science from Qatar University and an MBA specialising in Marketing from the University of Liverpool, UK.
Mohammed Al Emadi Group Chief Audit Executive	Mr. Mohammed Al-Emadi was appointed as Group Chief Audit Executive (GCAE) in November 2011 and has successfully transformed the Internal Audit Function into a Group Internal Audit. He is responsible for providing assurance and consulting services to Ooredoo Qatar, Ooredoo Group and Starlink, as well as supporting Internal Audit functions in the Operating Companies. Mr Al-Emadi holds a bachelor's degree in Accounting from Qatar University and a Masters in Accounting and Finance from University of Southampton, UK.

- Total value of the remunerations to the executive management for the year ending on 31 December 2019 was equivalent to QR 46.1million,
- The Board of Directors' evaluation of the performance of the Executive Management: Based on the annual evaluation, the Board of Directors is satisfied with the performance of the Executive Management while executing its responsibilities, authorities and recommendations which have been provided during the year ending 31 December 2019.

15. Corporate Governance Department

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

In 2019, the Corporate Governance Department completed a number of major works:

- Monitored the implementation of Corporate Governance in all of Ooredoo Group companies;
- Reviewed the list of Ooredoo representatives on the Boards of the Group's companies;
- Adopted an employee disclosure procedure for non-Ooredoo interests;
- Monitored the publication of the Corporate Governance code in Group companies;
- Assisted the Board of Directors in the annual assessment and evaluation of adherence to the Code of Conduct;
- Management of Special Purpose Companies (SPVs);
- Worked on the company's policies and the roster of decision making;
- Compliance with the order of Corporate Governance and listed Legal Entities on the main market.

16. Internal audit objectives and activities

Providing independent and objective consultancy services drafted in a way that contributes to adding more value and improving Ooredoo's processes. The activity performed by the internal audit helps to achieve the company's objectives through a structured and systematic approach to assess and improve the effectiveness of risk management, monitoring and governance. Also, the Internal Audit department complies with the International Standards for the Professional Practice of Internal Auditing to provide practical instructions for the management of internal audit, planning, execution, and reporting activities, which are designed to add more value and improve Ooredoo processes/operations.
These tasks are performed under the supervision of the Audit and Risk Committee. There are clear instructions from the Board, Audit Committee, and Executive Management to all units to work in accordance with external and internal audit systems, and to respond to any issue or topic raised by auditors.

In 2019, the Internal Audit Department completed a number of major works:

- Prepared an internal risk-based audit plan;
- Reviewed and evaluated the operations, risk management and internal control framework through implementing the internal audit plan;
- Reviewed quarterly and annual Enterprise Risk Reports of Ooredoo Qatar and the Group and assessed the effectiveness of plans to reduce these risks;
- Complied with the Internal Audit Manual based on the International Standards for the Professional Practice of Internal Auditing to provide practical guidance to manage internal audit activity, planning, execution and reporting;
- Reviewed the quarterly Internal Audit Department reports in Group companies;
- Reviewed the annual Risk Internal Audit plans for Group companies; providing advice and consultation.
- Followed up on the execution of the Internal Audit Department programme to improve and control quality for internal audit departments in the Group and its companies;
- Coordinated between External Auditors, Audit Bureau Qatar and management;

- Supported operating companies' internal audit functions;
- Reviewed recommended policies to provide opinion on the efficiency of internal audit procedures;
- Planning and execution of a review for the effectiveness of internal control measures over financial reports (Internal Control Over Financial Report) for 2019.

To ensure transparency and credibility, an investigation is held to look into any matters that draw the attention of the internal auditor, external auditor, or finance team, based on the nature of those issues.

We would also note that, based on the external review of the Quality Assurance & Improvement Programme of Group Internal Audit, Group internal audit activity generally conforms to the International Standards for the Professional Practice of Internal Auditing and the Institute of Internal Auditors Code of Ethics.

17. Supervising and Controlling the Group

Monitoring and supervision at Group level has separate lines for operating strategically and in financial control in a full review in each of the affiliated companies. This is done according to a regular cycle of visits and meetings of the executive management of the Group with the executive management of the affiliated companies, supported by a specific schedule for reports on internal performance. This detailed inspection of the performance of each operating company is considered a primary source of information, provided to shareholders through quarterly or annual reports. In addition, the Group reviews and comments on the decisions and actions of Boards and audit committees in each subsidiary. Supervision and control procedures vary between each of the subsidiaries in a way that reflects delegation of powers to the Board and the executive management for each company, however, each company is obliged to issue its reports on the Group level.

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

18. Risk management and internal control

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

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

The Board is responsible for establishing the risk management system and for reviewing the effectiveness of its implementation in Ooredoo and its Group. Management is responsible for systematically identifying, assessing, monitoring and managing material risks throughout the organisation. This system includes the Company's internal compliance and control systems. In addition, the Company has tight controls and well-established systems that control its transactions and relationships with related parties.

Ooredoo Group implements a risk management policy at Group level, where it states that the Group's Board of Directors, supported by Audit and Risk Management Committee and Internal Audit Department, will review every quarter all risks that Ooredoo and its subsidiaries might face. Identifying risks that any of the operating companies might face is the responsibility of its executive management and employees, while the Group's Risk Management examines the risk ratings determined, and the action plans to address these risks. The internal audit department will undergo an independent review of Risk Management Department reports on quarterly basis, and present its opinion regarding the integrity of these reports to the Audit and Risk Management committee.

The concerned department gathers all the potential risks and planned measures to mitigate these risks, and presents them to the Audit and Risk Management Committee.

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

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

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

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

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

The management defined in 2019 the procedures of control on financial data and confirming the integrity of the design and implementation of these procedures. The internal Audit Department made a comprehensive review for these procedures to confirm how fit it is to implement, and the administration was notified of the results of the review and the required improvements. As of 31 December 2019, the company was not aware of any failures or points of weakness in the internal review system, and no emergencies with negative impact on the company's financial status took place.

19. Company's adherence to internal and external audit systems

The Company has appointed an external auditor and is working on adherence to internal and external audit systems. There are decisions and clear instructions from the Board of Directors, Audit Committee and senior executive management that emphasise the necessity for all sectors and departments of the Company to adhere to internal and external audit, and deal with all cases identified by the auditors.

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

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

20. Availability of information

The Company guarantees for all shareholders the right to review all relevant information and disclosures through its website and annual reports that are made available to all shareholders. Shareholders can access all information relating to Board members and their qualifications, including the number of shares they own in the Company, their presidencies or membership on the boards of directors of other companies, as well as information on executive management of the Company. All stakeholders are entitled to access to all relevant information.

In Articles (45), (48), and (52) of the Company's Articles of Association, the rights of minority shareholders have been implicitly provided for:

- The Board of Directors may invite the Assembly to convene whenever the need arises, and shall call upon it whenever requested by the controller or a number of shareholders representing not less than 10% of its capital.
- The General Assembly shall convene at an extraordinary meeting upon the invitation of the Board, or upon a written request addressed to the Board by a number of shareholders representing not less than one quarter of the company shares.
- Decisions of the General Assembly issued in accordance with the Company's Articles of Association are binding for all shareholders, including those who are absent from them, those who disagree with the opinion, or those who are disqualified or deficient.

21. Dividend policy

Ooredoo Q.P.S.C. follows a sustainable and progressive dividend under which the Board expects a dividend payout to be in the range of 40% to 60% of normalised earnings. The payout considers factors such as company strategy, business products, future capital requirements and capital structure.

Profits are distributed upon recommendation by the Board of Directors and a decision of the General Assembly of the Company in compliance with Article 61 and Article 63 of the Articles of Association of the Company.

22. Shareholder records

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

Any shareholder or any related parties can look at the shareholders' register, and obtain all relevant information.

The two tables below show the major shareholders and shares held by members of the Board.

Table 1: Shares Held by Major Shareholders

Name Of Board Member	Country	Number of Shares	Percentage
Qatar Holding	Qatar	1,655,808,420	51.7%
General Retirement & Social Insurance Authority	Qatar	403,702,436	12.5%
Abu Dhabi Investment Authority	United Arab Emirates	320,319,940	10%
General Military Retirement and Social Insurance Authority	Qatar	61,775,897	1.9%

Table 2: Shares held by members of the Board

Name of Board Member	Number of Shares	Country	Beneficiary Name
General Retirement & Social Insurance Authority represented by H.E Mr Turki Mohammed Al Khater	403,702,436	Qatar	General Retirement & Social Insurance Authority
H.E Mr. Turki Mohammed Al Khater	50,000	Qatar	H.E Mr. Turki Mohammed Al Khater
Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa	25,027,600	Qatar	Qatar National Bank (QNB)
Mr. Ibrahim Al Mahmoud	62,000	Qatar	Mr. Ibrahim Al Mahmoud
Mr. Nasser Rashid Al Humaidi	50,000	Qatar	Mr. Nasser Rashid Al Humaidi
Dr. Nasser Mohammed Marafih	32,000	Qatar	Dr. Nasser Mohammed Marafih

23. Fair treatment of shareholders and voting rights

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

According to the provisions of Article 42 of the Company's Articles of Association, each shareholder has the right to attend the General Assembly, either personally or by proxy.

24. Employees of the Company

The human resources policy adopted and applied by the Company is prepared in accordance with the provisions of the Labour Law No. 14 of 2004, and related ministerial decisions which serve the interests of the Company and its employees, and takes into account at the same time the principles of justice, equality, and non-discrimination on the basis of sex, race, or religion.

25. The Company's achievements

In 2019, the Company achieved a number of key milestones, notably:

- Improving the position of the Ooredoo brand, which rose to 41st place in the global Brand Finance top 50 ranking, with a brand value of USD3.78 billion;
- The data revenue represents more than 50% of the group revenue.
- Becoming a data experience leader in the countries where it operates. 4G services are now available to customers in 8 out of 10 Ooredoo markets; 5G services are available in Qatar and Kuwait (launched in 2019), with roll-out ongoing in Oman;
- Hosting the world's first 5G video call on 21 January 2019, between Ooredoo Group's head office in Doha and Ooredoo Kuwait's head office in Kuwait City;
- Demonstrating the power and potential of Ooredoo's 5G network at the IAAF World Athletics Championships held in Doha, offering smart stadium solutions to transform the fan experience;
- Successfully completing the split of its common outstanding stock on a ten-for-one basis on the Qatar Stock Exchange in July 2019. The stock split was undertaken as part of an initiative by the Exchange for all Qatar listed companies to generate more active trading by retail investors;
- Completing Indosat Ooredoo's Sale and Leaseback Agreements for a batch of 3,100 of its telecommunications towers. By monetising some non-core assets at a fair valuation, Indosat Ooredoo has been able to unlock the value of a portion of its tower portfolio, which in turn supports investment in mission critical parts of the business. Indosat Ooredoo also succeeded in reshaping its customer base to a more loyal and higher value user base with lower churn rates and maintained its position as the second largest mobile operator in Indonesia;
- Appointing new leadership to key operations, including Ahmad Abdulaziz Al Neama as the Chief Executive Officer at Indosat Ooredoo; Rajeev Sethi as Chief Executive Officer of Ooredoo Myanmar and Mansoor Rashid Al-Khater as the new Chief Executive Officer of Ooredoo Tunisia in November;
- Reaching 40 million people through its digital advertising campaign with Leo Messi, which covered 7 markets in the Middle East and Southeast Asia and resulted in 420,000 app downloads;
- Premiering a 360-degree online retail experience to further enhance digital retail channels in Qatar and the world's first AI-powered mobile data management system on Google Assistant;
- Launching Ooredoo One, a single plan that includes home Internet, smart Wi-Fi, landline and TV;
- Achieving more than one million downloads for the My Ooredoo App in Oman;
- Launching the Maldives' first e-commerce marketplace, Moolee, which streamlines the user shopping experience online;
- Launching the My Ooredoo App in Myanmar, recording 757,000 downloads and achieving a significant reduction in churn and increase in ARPU compared to customer not using the app;
- Partnering with the International Organisation for Migration (IOM) and other start-up incubators and accelerators to address the critical funding gap affecting young tech entrepreneurs in Iraq;
- Consolidating Ooredoo's position as mobile data market leader in Palestine, confirming at the end of 2019 its reach extended across a full 97% of the population;
- The company's outstanding performance was reflected in the number of regional and international awards. In Qatar, Ooredoo was awarded awarded Fastest Mobile Network in the Ookla Speedtest Global Index and named Best Managed Security Services Partner of The Year by Fortinet. Ooredoo Oman won the 'Best Telecom Company Oman 2019' at the International Business Magazine Awards and 'Best Mobile Network' at the P3 Communications Awards. Ooredoo Kuwait won 'Best Digital Service' award at the Telecoms World Middle East Awards 2019 for ANA, its personalised digital mobile plan;
- Ooredoo also won several awards at the Middle East Investor Relations Association (MEIRA) Annual Conference and Awards, including Best Corporate for Investor Relations – Qatar and Best Investor Relations Professional – Qatar.

26. Parties Concerned

The company has strict controls and deep-rooted regulations which govern its activities in going into deals or relationships with parties concerned. Also, the company's policy prohibits the Chairman and Members of the Board from making any deals for selling or buying the company's shares during the period specified by Qatar Stock Exchange, until the company's financial results are disclosed to the public and it is confirmed none of the parties concerned has made any deals during ban periods during 2019.

Information is available on deals held with the related parties concerned through revising the notes complementing audited and consolidated financial lists for the fiscal year ending 31 December 2019. In all cases, the transactions of related parties whether important transactions or else are disclosed in the Governance report which is prepared in compliance with article (122) of Qatari commercial companies law No (11) for 2015, and article (56) of the articles of association and article (122) of QFMA code. It is also presented in the audited financial indicators framework towards the end of the year to endorse it in the Annual General Meeting. For more details, readers can refer to the financial statement at the end of the year starting 31 December 2019, which is presented at the end of the Annual Report and considered an integral part of the Governance Report.

Information on the deals with concerned parties can be obtained by referring to the note complementing the consolidated audited financial lists for the year ending on 31 December 2019.

27. Social Responsibility:

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

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

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

The company is committed to the United Nations' Goals of Sustainable Development. Ooredoo supports those goals in a number of areas across many initiatives, including projects to eradicate extreme poverty, improve human life and work to create a healthier world in the future. Details of these initiatives can be found in the Social Responsibility section of the Ooredoo Annual Report 2019.

28. Assessment Report on Internal Control Over Financial Reporting:

The Board of Directors of Ooredoo QPSC and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

We have conducted an evaluation of the **design, implementation and the operating effectiveness** of internal control over financial reporting, as of December 31, 2019, based on the framework and the criteria established in ***Internal Control – Integrated Framework*** (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

We have covered all the material business and operating companies in its assessment of internal control over financial reporting as of December 31, 2019.

The Company's auditor, Deloitte & Touche – Qatar Branch, an independent accounting firm, has issued an reasonable assurance report on our assessment of ICOFR.

A. Risks in Financial Reporting

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

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements and conducted an assessment of the effectiveness of the Group's internal control over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system.

The COSO Framework includes 17 basic principles, and five components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

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

As a result in establishing ICOFR, management has adopted the following financial statement objectives:

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

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

B. Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

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

Controls to Minimize the Risk of Financial Reporting Misstatement

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

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

C. Measuring Design Implementation and Operating Effectiveness of Internal Control

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

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

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

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including financing assets, investments in securities / associates / subsidiaries, treasury, fixed assets, other assets, customer deposits, sukuk financing, borrowing, other liabilities, equity, staff costs, expected credit losses (ECL), depreciation, other expenses, General Ledger and Financial Reporting. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General and Application Controls, and Disclosure Controls.

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of December 31, 2019.

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Independent Assurance Report on Compliance to Qatar Financial Markets Authority Laws and relevant legislations

QR. 83371

RN: 0518/SM/FY2020

Independent Assurance Report, to the Shareholders of Ooredoo Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' Statements on Compliance (the "Directors' Statements on Compliance") of the Group with the applicable QFMA Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") included in the relevant sections of the Annual Corporate Governance Report as at 31 December 2019.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Group is also responsible for preparing the Directors' Report that covers, at the minimum, the requirements of Article 4 of the Code.

In Sections 1, 2, 13, 15, 16 and 18 of the Annual Corporate Governance Report, the Board of Directors provides its Directors' Statements on Compliance with the applicable QFMA Laws and relevant legislations including the Code.

Our Responsibilities

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Directors' Statements on Compliance does not present fairly, in all material respects, the Group's compliance with the QFMA Law and relevant regulation including the Code.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Directors' Statements on Compliance, taken as a whole, is not prepared in all material respects in accordance with the applicable QFMA Laws and relevant legislations including the Code. The applicable QFMA Laws and relevant legislations including the Code comprises the criteria by which the Group's compliance is to be evaluated for purposes of our limited assurance conclusion.

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

Our limited assurance procedures comprise mainly of inquiries of management and inspection of supporting policies, procedures, and other documents to obtain an understanding of the processes followed to identify the requirements of the applicable QFMA Laws and relevant legislations including the Code (the 'requirements'); the procedures adopted by management to comply with these requirements; and the methodology adopted by management to assess compliance with these requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the requirements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA Laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

Our Independence and Quality Control

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Corporate Governance Report but does not include the Directors' Statements on Compliance, which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Statements on Compliance with applicable QFMA Laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our engagement to report on the Directors' Statements on Compliance, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' Statements on Compliance or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

Conclusions

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Directors' Statements of Compliance with the applicable QFMA Laws and relevant legislations including the Code included in Sections 1, 2, 13, 15, 16 and 18 of the Annual Corporate Governance Report, in all material respects, is not fairly stated as at 31 December 2019.

Doha – Qatar
13 February 2020

For Deloitte & Touche
Qatar Branch

M. Salha

Midhat Salha
Partner

License No. 257
QFMA Auditor License No. 120156

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Independent Assurance Report on Internal Control over Financial Reporting

QR. 83371

RN: 0517/SM/FY2020

Independent Assurance Report, to the Shareholders of Ooredoo Q.P.S.C., on the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting.

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over The Board of Directors' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the 'Directors' ICFR Report') as of 31 December 2019.

Responsibilities of the directors and those charged with governance

The Board of Directors of Ooredoo Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") is responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates and judgements that are reasonable in the circumstances.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as of 31 December 2019, based on the criteria established in the Internal Control — Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework").

The Group's assessment of its internal control system is presented by the Board of Directors in the form of the Directors' ICFR Report, which includes:

- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering material business processes and entities in the assessment of Internal Control over Financial Reporting;
- A description of control objectives;
- Identification of the risks that threaten the achievement of the control objectives;
- An assessment of the design, implementation and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2019.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the "Directors' ICFR Report" presented in the Annual Corporate Governance Report, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as at 31 December 2019.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Directors' ICFR Report is fairly presented. The COSO Framework comprises the criteria by which the Group's Internal Control over Financial Reporting is to be evaluated for purposes of our reasonable assurance opinion.

An assurance engagement to issue a reasonable assurance opinion on the Directors' ICFR Report involves performing procedures to obtain evidence about the fairness of the presentation of the Report. Our procedures on the Directors' ICFR Report included:

- Obtaining an understanding of the Group's components of internal control as defined by the COSO Framework and comparing this to the Directors' ICFR Report;
- Obtaining an understanding of the Group's scoping of significant processes and material entities, and comparing this to the Directors' ICFR Report;
- Performing procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosures and comparing this to the Directors' ICFR Report;
- Obtaining Management's testing of the design, implementation and operating effectiveness of internal control over financial reporting, and evaluating the sufficiency of the test procedures performed by management and the accuracy of management's conclusions reached for each internal control tested;
- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management's testing for normal risks of material misstatement.
- Assessing of the severity of deficiencies in internal control which are not remediated at 31 December 2019, and comparing this to the assessment included in the Directors' ICFR Report, as applicable.

Our Responsibilities (Continued)

As part of this engagement, we have directed and supervised the performance of procedures by auditors of all significant components of the Group, and have obtained sufficient appropriate audit evidence regarding the design, implementation and operating effectiveness of internal controls of material entities or business activities within the Group to express a conclusion on the Group's ICFR. We remain solely responsible for our evaluation and conclusion.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity Level Controls, Revenue Post-paid, Revenue Prepaid, Procurement, Treasury, Financial Investments, Payroll, Fixed Assets, Tax, Financial reporting and disclosures, Information Technology Controls, Operating expenses and Cost of sales.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgement including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, reperformance and inspection of evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the fairness of the presentation of the Directors' ICFR Report.

Meaning of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a system designed to prevent errors and fraud in the financial reporting process and in the preparation of financial statements in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. ensure receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity;
3. ensure transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and
4. ensure prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Because of the inherent limitations of Internal Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, Internal Control over Financial Reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the Internal Control over Financial Reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Independence and Quality Control

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

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

Opinion

In our opinion the Directors' ICFR Report presented in the Annual Corporate Governance Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of 31 December 2019;

Doha – Qatar
13 February 2020

For Deloitte & Touche
Qatar Branch

M. Salha

Midhat Salha
Partner

License No. 257
QFMA Auditor License No. 120156

DELOITTE & TOUCHE

Our Social Responsibility

As a community-focused company operating across the Middle East, North Africa and Southeast Asia, Ooredoo's corporate social responsibility is centred on enriching people's digital lives.
The company is passionate about using mobile technology as a tool to realise positive social and economic change for its customers and in the communities that it serves.

Making a digital difference

Fulfilling our Environmental, Social and Governance Responsibilities

Living our Values

Ooredoo's focus continues to be supporting initiatives that address ethical, social and environmental issues in alignment with the United Nations Sustainable Development goals. The company provides practical support for these goals with a programme across its global footprint, including projects to eradicate extreme poverty, ensure healthcare for all and improve human life in the communities in which it operates.

A robust framework of Group-wide guidelines ensures employees are encouraged and enabled to engage in voluntary activities, resulting in initiatives that are impactful, cost-effective and of benefit to the communities, the organisation and the employees themselves.

Ooredoo lives its brand promise through this strategy; Connecting through engagement and collaboration with communities, Caring in its practical support for communities and their members, and Challenging in its ambitious goals for the future. The company is committed to the health and safety of all employees.

Each operating company has a Code of Ethics and Business Conduct, agreed with Ooredoo Group, which upholds our responsible business principles and compliance with national laws (www.ooredoo.qa/codeofethics). The Company's policies and procedures are designed to ensure that everyone is treated fairly and with respect. Each company supports development initiatives in their communities and encourages all personnel to participate in these initiatives.

The codes cover issues including compliance, conflicts of interest, ethical and proper relationships with external stakeholders, anti-bribery, fair competition, responsible use of company resources, responsible management of confidential and proprietary information, insider trading, maintaining a fair and healthy work environment, code compliance and reporting as well as HR administrative responsibilities, confidentiality, legal compliance, anti-bribery, avoiding conflicts of interest and other forms of corruption or unfair advantage, and anti-harassment.

Ooredoo includes standard clauses in all supplier contracts enforcing compliance with local and international anti-corruption, environmental and child labour laws. The framework ensures compliance of all subcontractors and sub-agents, to provide a safe environment for all.

Governance Frameworks

In order to establish a distinct model of commitment and compliance, Ooredoo's Board of Directors has taken into account the provisions and principles set out in the Commercial Companies Law number 11 for 2015, relating to supervisory obligations of public companies. It has also incorporated the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority and other related laws and regulations - taking these into consideration when drafting laws and regulations at Group and Operating Companies level - to instil a culture of governance across the company and its subsidiaries, and in the practices of all of its employees.

As Ooredoo continues its rapid growth and global expansion, it is particularly critical to demonstrate to its shareholders, customers, employees and communities the same high levels of commitment and good corporate citizenship that have earned it a strong reputation in Qatar. This includes a commitment to the highest standards of corporate governance, by regularly reviewing the governance structures and practices in place to ensure their effectiveness and consistency with local and international developments.

In particular, Ooredoo's Corporate Governance Department was established in 2008 and is responsible for assisting the management and Board in ensuring the efficiency and implementation of corporate governance policies and practices in Ooredoo and its Group.

Compliance

Ooredoo's Board of Directors provides institutional leadership to the company, within a framework of prudent and effective controls enabling risk to be assessed and managed. This role has been fully illustrated through the Articles of Association of the company and its relevant by-laws, the Commercial Companies Law No. 11 for 2015 and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority, in particular articles 8 and 9, which were incorporated as a Charter of the Board in a special section of the Corporate Governance Manual. As part of the Code of Ethics, "Ooredoo personnel must comply with all laws and regulations applicable to the Company for which they work and its operations."

As both parent company of Ooredoo Group and an operating company in the State of Qatar, Ooredoo QSPC's Board of Directors have a dual role. Within this framework, the Board of Directors undertakes governance and compliance duties, including the preparation and adoption of the corporate governance rules for Ooredoo and establishing guidelines for the governance of the Group.

Ooredoo is committed to full legal compliance. Each operating company has its own corporate governance team and holds a local register of applicable laws, which is constantly updated. The company's corporate governance team meets with regulators to ensure its understanding of legal developments as they affect Ooredoo and its shareholders. This is overseen at Group level by the Group Chief of Corporate Governance.

Ooredoo is committed to supporting communities in which it operates; enhancing digital lives, enabling progress and development, facilitating change for the better. The company's Environmental, Social and Governance (ESG) strategy is focused on making a positive impact across its global footprint.

Ooredoo seeks competitive advantage through superior performance and is extremely careful to avoid any unethical or improper business practices. Within Ooredoo's Code of Business Conduct and Ethics, it is upheld that personnel will not engage in behaviour that violates the law and principles of fair competition.

Whistleblowing Policy

All employees of the company need to pay attention to activities that may violate laws, regulations or policies, decisions or instructions or the Code of Conduct and Ethics. Employees who spot violations of the Code are urged to report them to the Chief Audit Executive, who investigates and refers the matter to the Audit Committee to take action. Ooredoo strives to preserve anonymity as far as the law allows. Whistleblowers who make reports in good faith are protected from penalty and retaliation. Framework agreements at Ooredoo Group level with certain key suppliers include a $1,000,000 fine for suppliers that breach our anti-bribery and anti-child labour policies.

Environmental Impact

Ooredoo recognises the importance of environmental sustainability in order to ensure future generations inherit a healthy planet. Communications can be a great enabler of sustainable living, by reducing the need for excess travel.

Running networks does entail an environmental impact, and Ooredoo's operating companies continued to work to reduce this impact throughout 2019.

A key area of environmental impact is the energy required to power networks of mobile phone masts. In more remote areas, these may be powered by diesel generators as there is no available electricity grid, entailing higher carbon emissions. In 2019, a number of mobile network sites migrated to run with full solar energy and a proof of concept is underway for the use of solar powered hybrid solutions for a larger scale. In Myanmar, the company tries to connect mobile masts to the electricity grid as fast as possible to reduce reliance on diesel, while in Tunisia, Ooredoo has installed solar panels at a number of off-grid mast sites, increasing the amount of renewable energy that Ooredoo generates over the years.

In addition, Ooredoo is working on multiple initiatives to reduce energy consumption and waste across its footprint. For example, the consumption of paper (e.g. customer bills, brochures, corporate printing volume) has been significantly reduced through greater use of digital channels. In Qatar, 99% of Ooredoo's consumer customers have migrated to e-bills, in line with Ooredoo's digital drive initiative to support the vision to 'Go Green'.

Social Impact across our Operations

Qatar

2019 saw a continuation of existing community and charitable relationships for Ooredoo Qatar as well as the formation of new ties. The company continued its longstanding support of Qatar Cancer Society, as well as its work with Best Buddies - an initiative to ensure an inclusive community for all – and signed a partnership with Wheel the World, an organisation dedicated to making travel accessible to all.

Healthcare continued to be a priority, with several community health initiatives throughout 2019, including medical check-up programmes at labour camps and educational sessions at Ooredoo headquarters.

A comprehensive Ramadan campaign of support for the vulnerable in the community was a success during the year, featuring a number of initiatives. Ooredoo Qatar continued to be a major supporter of sport, recognising the health and social benefits of leading an active lifestyle. Sponsorships included the Ride of Champions, the S'Hail International Falcon Exhibition, the Ooredoo Kids Cup and the Camel Racing Festival under the Sword of HH The Emir.

Oman

Underlining its commitment to the human element of the digital revolution, Ooredoo Oman awarded a start-up budget to teams from the Springboard and Spring Forward enablement programmes for the first time ever. It also provided a platform upon which the Omani Women's Incubator Programme could showcase and promote its members' businesses on several occasions.

Brand-building initiatives focused on seeking sponsorship opportunities within the local community, especially those promoting local culture and customs. To support digital development in the country, the company showcased its latest innovations at the 2019 COMEX Technology Show, highlighting breakthrough technologies that impact the way people live, work, communicate and network.

Kuwait

Ooredoo Kuwait continued its practical support for its community through the award-winning Ooredoo Volunteers Programme, which has seen the participation of more than 1,500 youth volunteers since inception in 2015. The Programme enables the youth of Kuwait to contribute to projects that make a real difference in the lives of Kuwaiti citizens and residents and was recognised as the Best Voluntary Initiative for the fourth consecutive year at the Youth Initiative Forum in 2019.

Iraq

Empowering communities to reach their full potential was at the heart of Asiacell's activities in 2019. The company partnered with IOM (International Organization for Migration) and other start-up incubators and accelerators to address the critical funding gap affecting young tech entrepreneurs in Iraq, in recognition of the importance of fostering an entrepreneurial spirit in the country. Asiacell also devised and ran a number of initiatives designed to serve the community and promote, enhance and preserve the country's culture, including a programme supporting children with cancer in Kirkuk and the renovation of the Art Gallery Hall in Basra.

Palestine

Education was very much a focus for Ooredoo Palestine in 2019, which saw the signing of a partnership agreement with Birzeit University to support its educational programmes and readiness to market employment activities. The company also provided support to non-governmental organisations such as the Mahmoud Abbas Foundation and Rashid Erekat Foundation, which are working to support Palestinian students in refugee camps, as well as to local activities aiding schools in the West Bank and Gaza Strip.

A Ramadan campaign saw direct financial support given to charities providing better living conditions for children with autism and for orphans, as well as a charity in Gaza working with elderly citizens. In partnership with a media academy in Palestine, the company also provided financial support to an initiative for training journalists in the use of mobile phones for work purposes.

Myanmar

In pursuit of digital literacy and the ability to enjoy a digital life, Ooredoo Myanmar collaborated with Google and the Ministry of Education to promote the development of a safe and secure digital ecosystem among students and teachers. A further collaboration with Facebook and the GSMA included the launch of a digital literacy campaign to increase awareness and adoption of mobile internet in the country. The campaign supported the deployment of 200 mobile vans covering rural and difficult-to-reach areas of the country.

Other nationwide initiatives such as Beyond Access and Tech Age Girls continued the empowerment of communities and the move towards a digital lifestyle.

Jointly with the United Nations Development Programme, Ooredoo Myanmar continued the Hackathon series launched in 2018 with the aim of empowering the country's youth to develop innovative service and digital solutions - centred around rural development, education and climate change - that benefit their communities.

Indonesia

Indosat Ooredoo partnered with Facebook to launch a digital literacy initiative aimed at educating non-data users and converting them to a digital lifestyle. A number of initiatives to serve the community were devised and held, including the operating of mobile clinics in disaster zones which were deployed at six locations throughout 2019, including at the site of the Konawe floods where help was provided to more than 2,000 residents in need.

Several education initiatives such as scholarship programmes and digital literacy roadshows were also organised.

Maldives

Ooredoo Maldives' investment in digital classrooms expanded the reach of quality education to students without access to educational facilities, as well as to prisoners in detention as part of the rehabilitation process. The company also held vocational training sessions through its learning platform, Ooredoo Smart Campus. Its NIRU Accelerator Programme, an initiative for innovative start-ups working on solutions to bring about social change, witnessed the launch of three such start-ups.

Ooredoo Maldives' commitment to the development of local communities was recognised globally with a Stevie APAC Award for 'Corporate Social Responsibility Programme of The Year' across Asia, Australia and New Zealand.

The company strengthened its community through several initiatives including a donation to the Maldives Deaf Association and a collaboration with the Ministry of Higher Education for the Corporate Scholarship Scheme to offer greater opportunities for those seeking higher studies.

Algeria

Ooredoo Algeria rolled out a comprehensive programme of activities during Ramadan, aimed at supporting local communities; the company partnered with Algerian Muslim Scouts to distribute food packs enabling the breaking of the fast, while a collaboration with the Algerian Red Crescent saw the provision of iftar to workers living away from their families. Doors at Ooredoo Algeria headquarters were opened, with Algerian Red Cross and Ooredoo volunteers serving meals to the needy. Visits to facilities for the elderly were also held during Eid Al Fitr.

A series of partnerships with organisations in the humanitarian field provided support to vulnerable sectors of the community through various projects and initiatives.

Tunisia

Ooredoo Tunisia worked to improve the lives of some of the most vulnerable in the community in 2019 via initiatives designed to offer practical support. The company arranged the upgrading of facilities and residential quarters to improve living conditions at the Grombalia retirement home, and of schools in rural locations across the country, creating an environment more conducive to learning and overall wellbeing for the students.

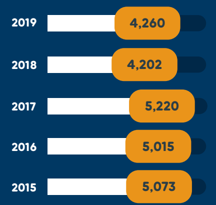
Strengthening its commitment to Tunisian football, Ooredoo Tunisia renewed its sponsorship contract with Club Africain for the 2019-2020 and 2020-2021 seasons.

Delivering a robust performance

Financial Review (continued)

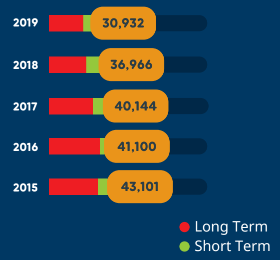
EBIT
Amount in QR millions

4,260



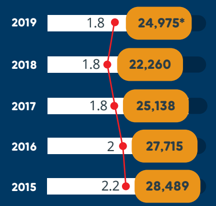
Total Group Debt
Amount in QR millions (Note B)

30,932



Net Debt & Net Debt/EBITDA
Amount in QR millions (Note C)

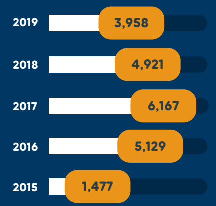
24,975



* Net Debt for 2019 includes lease liabilities from IFRS 16, excluding this net debt is QR 19,213 million.

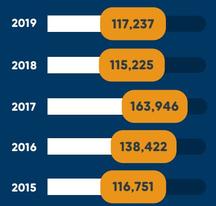
Free Cash Flow
Amount in QR millions (Note D)

3,958



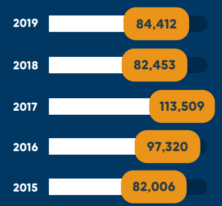
Total Customers
In Thousands

117,237

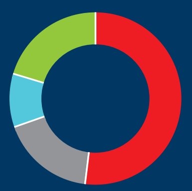


Proportional Customers
In Thousands (Note E)

84,412

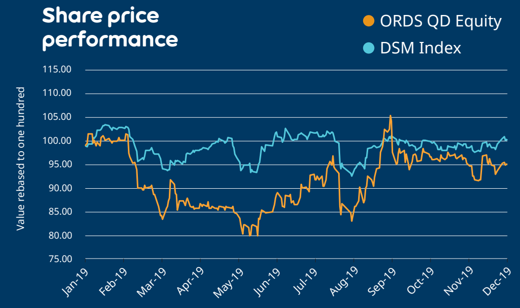


Company ownership profile



- **52%** State of Qatar
- **17%** Other Qatari government-related entities
- **10%** ADIA
- **21%** Others

Share price performance



Note A **Dividend payout ratio** = cash dividend / net profit to Ooredoo shareholders.
Note B **Short term debt** includes debt with a maturity of less than twelve months.
Note C **Net Debt** = total loans and borrowings + lease liabilities + vendor financing + contingent liabilities (letters of guarantee + letters of credit) less cash (excluding restricted cash and cash held below BBB+ rating).
Note D **Free cash flow** = net profit plus depreciation, amortization and interest on lease liability less capex and lease liability payment; net profit adjusted for extraordinary items.
Note E **Proportional customers** represent the customers for each operating company, multiplied by the effective stake in that operating company.operating company.
Note F **Net Debt to EBITDA** ratio computed as per the bank covenant.

		2019	2018	% change 2018 to 2019	2017	% change 2017 to 2019
Operations						
Revenue	QR millions	29,916	29,927	-	32,646	-8%
EBITDA	QR millions	12,847	12,202	5%	13,640	-6%
EBITDA margin	Percentage	43%	41%		42%	
Net profit attributable to Ooredoo shareholders	QR millions	1,725	1,565	10%	1,897	-9%
Earnings per share (EPS) - basic and diluted	QR	0.54	0.49		0.59	
Cash Dividend declared per share	QR	0.25	0.25		0.35	
Dividend payout ratio (Note A)	Percentage	46%	51%		59%	
Operational cash flow	QR millions	11,760	7,867	49%	9,427	25%
Capital expenditure	QR millions	5,869	4,872	20%	4,541	29%
Employees	Number	16,717	16,469	2%	17,279	-3%
Financial position						
Total net assets	QR millions	29,105	28,178	3%	29,585	-2%
Net debt (Note C)	QR millions	24,975	22,260	12%	25,138	-1%
Net debt to EBITDA (Note F)	Multiples	1.8	1.8		1.8	
Free cash flow (Note D)	QR millions	3,958	4,921	-20%	6,167	-36%
Market capitalization	QR millions	22,679	24,024	-6%	29,069	-22%
Customers						
Wireless postpaid (incl. wireless broadband)	Thousands	5,288	5,235	1%	5,426	-3%
Wireless prepaid	Thousands	111,072	109,165	2%	157,795	-30%
Fixed line (incl. fixed wireless)	Thousands	877	825	6%	726	21%
Total Customers	Thousands	**117,237**	**115,225**	**2%**	**163,946**	**-28%**

Investor relations

Ooredoo's investor relations activities are intended to promote understanding of the company by its shareholders, investors and other market participants, encourage them to properly assess the company's value, and provide feedback on market opinions to the management of Ooredoo.

Key areas of focus:

- The delivery of timely and accurate information;
- Ensuring disclosure, transparency and governance practices continue to be enhanced and region-leading; and
- Proactive investor outreach and management access via conferences, roadshows, calls, and regular meetings.

Driving sustainable growth

Contents

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Independent Auditor's Report

QR. 83371
RN: RN:0523/SM/FY2020
To the shareholders of Ooredoo Q.P.S.C.
Doha, Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ooredoo Q.P.S.C. (the "Company"), and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters
Revenue recognition and related IT systems	
The Group reported revenue of QR. 29,915,541 thousand from telecommunication related activities. We have considered this as a key audit matter due to the estimates and judgments involved in the application of the revenue recognition accounting standards; and there is an inherent risk around the accuracy of revenue recorded given the complexity of IT systems and the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts etc.). Refer to the following notes of the consolidated financial statements: • Note 3.3 – Summary of significant accounting policies; • Note 4 – Revenue; • Note 20 – Contract costs and assets; • Note 42 – Significant accounting judgments and estimates; and • Note 44 – Segment information.	We tested revenue through a combination of controls testing, data analytics and substantive audit procedures covering, in particular: • Updating our understanding of the significant revenue processes and identifying the relevant controls (including IT systems, interfaces and reports); • Performing automated and manual controls tests and substantive tests, to ascertain accuracy and completeness of revenue; • Testing IT general controls, covering pervasive IT risks around access security, change management, data center and network operations; • Testing IT application controls around input, data validation and processing of transactions; • Assessing and testing the Group's revenue accounting policies, including the key judgments and estimates applied by management in consideration of the requirements of IFRS 15; • Performing data analysis and analytical reviews on significant revenue streams; and • Testing and validating the controls implemented on the revenue recognition software. Further, we instructed and ensured that the component auditors of the Group's significant entities have performed consistent audit procedures as per above, as applicable. We also assessed the overall presentation, structure and content of revenue related disclosures in notes 3.3, 4, 20, 42 and 44 to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Impairment of intangible assets and goodwill	
The Group's total assets include intangible assets and goodwill of QR. 26,319,887 thousand, which represents 30% of total assets. We have considered their carrying value as a key audit matter because the evaluation of the recoverable amount of the intangible assets and goodwill requires significant judgments and estimates, especially of the assumptions used in determining the discounted future cash flows and utilization of relevant assets. Refer to the following notes to the consolidated financial statements: • Note 3.1 – Basis of consolidation; • Note 3.3 – Summary of significant accounting policies; • Note 13 – Intangible assets and goodwill; and • Note 42 – Significant accounting judgments and estimates.	We tested the impairment assessment models and the key assumptions used by management with the involvement of our valuation specialists. Our audit procedures included the following: • Understanding the business process for recoverable value assessment, identifying the relevant internal controls and testing their design, implementation and operating effectiveness of controls over the impairment assessment process, including indicators of impairment. • Evaluating whether the cash flows in the models used by management to calculate the recoverable value are in accordance with IAS 36 Impairment of Assets. • Obtaining and analyzing the approved business plans for each such asset (or CGU, as applicable) to assess accuracy of the computations and the overall reasonableness of key assumptions; • Compared actual historical cash flow results with previous forecasts to assess forecasting accuracy. • Assessing the methodology used by the Group to estimate the Weighted Average Cost of Capital (WACC) and benchmarking that with discount rates used by other similar businesses external sector related guidelines; • Benchmarking assumptions on long term growth rates of local GDP and long term inflation expectations with external sources of data published by global monetary agencies; and • Benchmarking the values with market multiples where applicable. We performed sensitivity analysis on the key assumptions used by management, by involvement of valuation specialists, to understand the extent to which these assumptions need to be adjusted before resulting in additional impairment loss. Further, we instructed and ensured that the component auditors of the Group's significant entities have performed consistent audit procedures as per above, as applicable. We assessed the overall presentation, structure and content of the related disclosures in notes 3.1, 3.3, 13 and 42 to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Provisions and contingent liabilities from tax, legal and other regulatory matters	
The Group operates in multiple jurisdictions that exposes it to various tax, legal and other regulatory matters. We have considered this as a key audit matter because of the following: 1. There is a risk of non-compliance with the regulatory requirements and laws which includes, but not limited to, environmental and taxation laws. Such non-compliance may have a financial impact (i.e., provision, contingent liabilities, etc.) on the components and might also affect the component's ability to continue as going concern. 2. The accounting of these matters require significant judgments by management in estimating the provisions and related disclosures in accordance with IFRS. Refer to the following notes to the consolidated financial statements: • Note 3.3 – Summary of significant accounting policies; • Note 19 – Income tax; • Note 38 – Contingent liabilities; and • Note 42 – Significant accounting judgments and estimates.	In responding to the risks in these matters, our audit procedures included the following: • Understanding the Group's policies in addressing tax, legal and regulatory requirements; • Assessing the adequacy of the design, implementation and operating effectiveness of controls over the appropriateness and completeness of provisions; • Discussing open matters with the Group's tax, legal and regulatory teams; • Reading external legal opinions and other relevant documents supporting management's conclusions on these matters, where available; and • Obtaining direct confirmation and/ or discussing with Group's legal counsel and tax advisors regarding material cases, where applicable. Further, we instructed and ensured that the component auditors of the Group's significant entities have performed consistent audit procedures as per above, as applicable. We assessed the overall presentation, structure and content of the related disclosures in notes 3.3, 19, 38 and 42 to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Adoption of IFRS 16 – Leases	
The Group has applied IFRS 16 leases with effect from 1 January 2019, which resulted in changes to the accounting policies. The Group has elected not to restate comparative information in accordance with the transitional provisions contained within IFRS 16. The main impact of IFRS 16 is a change in the accounting policy for operating leases. This change in accounting policy resulted in right-of-use assets and lease liabilities amounting to QR. 6,033,848 thousand and QR. 6,649,303, respectively, being recognised in the statement of financial position. The incremental borrowing rate ("IBR") method has been applied as a discount rate as the implicit rate in a lease is not readily determinable. The adoption of IFRS 16 has resulted in changes to processes, systems and controls. Because of the number of judgments which have been applied and the estimates made in determining the impact of IFRS 16, this area is considered as a key audit matter. Refer to the following notes to the consolidated financial statements: • Note 3.2.1 – New and amended IFRSs that are effective for the current year • Note 3.3 – Summary of significant accounting policies; • Note 14 – Right-of-use assets; • Note 32 – Lease liabilities; • Note 42 – Significant accounting judgments and estimates.	We obtained an understanding of the Group's adoption of IFRS 16 and identified the internal controls including entity level controls adopted by the Group for the accounting, processes and systems under the new accounting standard. We assessed the design, implementation and operating effectiveness of key controls pertaining to the application of IFRS 16. We assessed the appropriateness of the discount rates applied in determining lease liabilities with input from our internal specialists. We verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sample through recalculation of the expected IFRS 16 adjustment. We considered the completeness of the lease data by testing the reconciliation of the Group's lease liability to operating lease commitments disclosed in the 2018 financial statements and considering if we had knowledge of any other contracts which may contain a lease. Further, we instructed and ensured that the component auditors of the Group's significant entities have performed consistent audit procedures as per above, as applicable. We assessed the overall presentation, structure and content of the related disclosures in notes 3.2.1, 3.3, 14, 32 and 42 to the consolidated financial statements.

Other Information
Management is responsible for the other information. The other information comprise Chairman's Message, Group CEO's Message, Operational and Financial Highlights, Our Reach, Our Businesses, Corporate Governance Report, Financial Review, which we obtained prior to the date of this auditor's report and the annual report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements
Further, as required by the Qatar Commercial Companies Law, we report the following:

- We are of the opinion that proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the director's report are in agreement with the Company's accompanying consolidated financial statements.
- We obtained all the information and explanations which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's consolidated financial position or its consolidated financial performance.

Doha – Qatar
13 February 2020

For Deloitte & Touche
Qatar Branch

M. Salha

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

DELOITTE & TOUCHE

Consolidated Statement of Profit or Loss
For the year ended 31 December 2019

	Note	**2019 QR'000**	2018 QR'000
Revenue	4	**29,915,541**	29,926,724
Operating expenses	5	**(11,031,177)**	(11,803,510)
Selling, general and administrative expenses	6	**(6,094,186)**	(6,409,712)
Depreciation and amortisation	7	**(8,587,649)**	(8,000,497)
Net finance costs	8	**(2,087,666)**	(1,732,802)
Impairment losses on goodwill, financial assets and other assets	12, 13, 16, 23	**(345,767)**	(171,433)
Other income – net	9	**1,311,572**	469,340
Share of results in associates and joint ventures – net of tax	16	**57,072**	488,737
Royalties and fees	10	**(491,637)**	(489,156)
Profit before income tax		**2,646,103**	2,277,691
Income tax	19	**(422,091)**	(484,961)
Profit for the year		**2,224,012**	1,792,730
Profit attributable to:			
Shareholders of the parent		**1,724,826**	1,565,065
Non-controlling interests		**499,186**	227,665
		2,224,012	1,792,730
Basic and diluted earnings per share (Attributable to shareholders of the parent) (Expressed in QR. per share)	11, 46	**0.54**	0.49

The attached notes 1 to 47 form part of these consolidated financial statements

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	**2019 QR'000**	2018 QR'000
Profit for the year		**2,224,012**	1,792,730
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Effective portion of changes in fair value of cash flow hedges	26	**(4,446)**	142
Share of other comprehensive income (loss) of associates and joint ventures	26	**(27,211)**	4,081
Foreign currency translation differences	26	**572,849**	(1,712,009)
Items that will not be reclassified subsequently to profit or loss			
Net changes in fair value on investments in equity instruments designated as at FVTOCI	26	**(12,616)**	29,723
Net changes in fair value of employees' benefit reserve	26	**(3,658)**	54,244
Other comprehensive income (loss) – net of tax		**524,918**	(1,623,819)
Total comprehensive income for the year		**2,748,930**	168,911
Total comprehensive income attributable to:			
Shareholders of the parent		**2,169,270**	128,412
Non-controlling interests		**579,660**	40,499
		2,748,930	168,911

The attached notes 1 to 47 form part of these consolidated financial statements

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	2019 QR'000	2018 QR'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**27,045,039**	27,207,493
Intangible assets and goodwill	13	**26,319,887**	26,656,686
Right-of-use assets	3.2.1, 14	**6,033,848**	-
Investment property	15	**58,007**	52,802
Investment in associates and joint ventures	16	**1,971,912**	2,146,946
Financial assets – equity instruments	17	**904,440**	947,237
Other non-current assets	18	**732,243**	858,994
Deferred tax assets	19	**658,851**	569,892
Contract costs and assets	20	**194,971**	151,806
Total non-current assets		**63,919,198**	58,591,856
Current assets			
Inventories	21	**557,305**	643,061
Contract costs and assets	20	**345,919**	312,070
Trade and other receivables	22	**8,360,840**	8,233,543
Bank balances and cash	23	**14,716,148**	17,493,273
		23,980,212	26,681,947
Assets held for sale		**82,212**	25,672
Total current assets		**24,062,424**	26,707,619
TOTAL ASSETS		**87,981,622**	85,299,475
EQUITY			
Share capital	24	**3,203,200**	3,203,200
Legal reserve	25 (a)	**12,434,282**	12,434,282
Fair value reserve	25 (b)	**550,809**	606,299
Employees' benefits reserve	25 (c)	**5,975**	22,031
Translation reserve	25 (d)	**(7,314,294)**	(7,805,451)
Other statutory reserves	25 (e)	**1,299,489**	1,252,304
Retained earnings		**12,947,508**	12,496,038
Equity attributable to shareholders of the parent		**23,126,969**	22,208,703
Non-controlling interests		**5,978,017**	5,968,984
TOTAL EQUITY		**29,104,986**	28,177,687

The attached notes 1 to 47 form part of these consolidated financial statements

	Note	2019 QR'000	2018 QR'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	28	**25,336,943**	27,479,441
Employees' benefits	29	**766,619**	825,611
Lease liabilities	3.2.1, 32	**5,692,809**	-
Deferred tax liabilities	19	**340,468**	358,260
Other non-current liabilities	30	**2,658,393**	2,197,505
Contract liabilities	33	**11,481**	14,121
Total non-current liabilities		**34,806,713**	30,874,938
Current liabilities			
Loans and borrowings	28	**5,410,332**	9,279,920
Lease liabilities	3.2.1, 32	**956,494**	-
Trade and other payables	31	**13,774,974**	13,330,351
Deferred income	27	**2,265,590**	1,940,644
Contract liabilities	33	**117,768**	145,132
Income tax payable		**1,544,765**	1,550,803
Total current liabilities		**24,069,923**	26,246,850
TOTAL LIABILITIES		**58,876,636**	57,121,788
TOTAL EQUITY AND LIABILITIES		**87,981,622**	85,299,475

Abdulla Bin Mohammed Bin Saud Al Thani
Chairman

Mohammed Bin Issa Al Mohannadi
Member

The attached notes 1 to 47 form part of these consolidated financial statements

Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

	Attributable to shareholders of the Parent									
	Share capital QR.'000	Legal reserve QR.'000	Fair value reserve QR.'000	Employees benefit reserve QR.'000	Translation reserve QR.'000	Other statutory reserves QR.'000	Retained earnings QR.'000	Total QR.'000	Non – controlling interests QR.'000	Total equity QR.'000
At 1 January 2019	3,203,200	12,434,282	606,299	22,031	(7,805,451)	1,252,304	12,496,038	22,208,703	5,968,984	28,177,687
Effect of change in accounting policy for:										
Initial application of IFRS 16	-	-	-	-	-	-	(416,503)	(416,503)	(10,827)	(427,330)
Adjusted balance as at 1 January 2019*	**3,203,200**	**12,434,282**	**606,299**	**22,031**	**(7,805,451)**	**1,252,304**	**12,079,535**	**21,792,200**	**5,958,157**	**27,750,357**
Profit for the year	-	-	-	-	-	-	1,724,826	1,724,826	499,186	2,224,012
Other comprehensive income (loss)	-	-	(43,634)	(3,079)	491,157	-	-	444,444	80,474	524,918
Total comprehensive income (loss) for the year	-	-	(43,634)	(3,079)	491,157	-	1,724,826	2,169,270	579,660	2,748,930
Realized gain on FVTOCI investment recycled to retained earnings	-	-	(11,856)	-	-	-	11,856	-	-	-
Employee benefits reserve recycled to retained earnings	-	-	-	(12,977)	-	-	12,977	-	-	-
Transaction with shareholders of the parent, recognised directly in equity										
Dividend for 2018 (Note 34)	-	-	-	-	-	-	(800,800)	(800,800)	-	(800,800)
Transfer to other statutory reserves	-	-	-	-	-	47,185	(47,185)	-	-	-
Transaction with non-controlling interest, recognised directly in equity										
Change in subsidiary's non-controlling interest	-	-	-	-	-	-	(317)	(317)	(491)	(808)
Change in associate's non-controlling interest in its subsidiary	-	-	-	-	-	-	8,831	8,831	-	8,831
Dividends for 2018	-	-	-	-	-	-	-	-	(559,022)	(559,022)
Transaction with non-owners of the Group, recognised directly in equity										
Transfer to employee association fund	-	-	-	-	-	-	(1,515)	(1,515)	(287)	(1,802)
Transfer to social and sports fund	-	-	-	-	-	-	(40,700)	(40,700)	-	(40,700)
At 31 December 2019	**3,203,200**	**12,434,282**	**550,809**	**5,975**	**(7,314,294)**	**1,299,489**	**12,947,508**	**23,126,969**	**5,978,017**	**29,104,986**

*The Group has initially applied IFRS 16 as at 1 January 2019. Under the transition method selected, the comparative information is not restated and cumulative catch-up adjustment is recorded in the opening balances (Note 3.2.1).

The attached notes 1 to 47 form part of these consolidated financial statements

Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

	Attributable to shareholders of the Parent									
	Share capital QR.'000	Legal reserve QR.'000	Fair value reserve QR.'000	Employees benefit reserve QR.'000	Translation reserve QR.'000	Other statutory reserves QR.'000	Retained earnings QR.'000	Total QR.'000	Non – controlling interests QR.'000	Total equity QR.'000
At 1 January 2018	3,203,200	12,434,282	522,873	(12,497)	(6,298,501)	1,202,508	12,000,973	23,052,838	6,532,272	29,585,110
Effect of change in accounting policy for:										
Initial application of IFRS 15	-	-	-	-	-	-	229,544	229,544	(4,004)	225,540
Initial application of IFRS 9	-	-	(120,818)	-	-	-	99,835	(20,983)	(17,320)	(38,303)
Adjusted balance as at 1 January 2018*	3,203,200	12,434,282	402,055	(12,497)	(6,298,501)	1,202,508	12,330,352	23,261,399	6,510,948	29,772,347
Profit for the year	-	-	-	-	-	-	1,565,065	1,565,065	227,665	1,792,730
Other comprehensive income (loss)	-	-	35,769	34,528	(1,506,950)	-	-	(1,436,653)	(187,166)	(1,623,819)
Total comprehensive income (loss) for the year	-	-	35,769	34,528	(1,506,950)	-	1,565,065	128,412	40,499	168,911
Realized loss on FVTOCI investment recycled to retained earnings	-	-	168,475	-	-	-	(168,475)	-	-	-
Transaction with shareholders of the parent, recognised directly in equity										
Dividend for 2017 (Note 34)	-	-	-	-	-	-	(1,121,120)	(1,121,120)	-	(1,121,120)
Transfer to other statutory reserves	-	-	-	-	-	49,796	(49,796)	-	-	-
Transaction with non-controlling interest, recognised directly in equity										
Change in subsidiary's non-controlling interest	-	-	-	-	-	-	(4,633)	(4,633)	65,708	61,075
Loss of control of a subsidiary**	-	-	-	-	-	-	-	-	(36,178)	(36,178)
Change in holding interest of an associate***	-	-	-	-	-	-	(5,870)	(5,870)	-	(5,870)
Change in associate's non-controlling interest in its subsidiary	-	-	-	-	-	-	2,029	2,029	-	2,029
Dividends for 2017	-	-	-	-	-	-	-	-	(611,635)	(611,635)
Transaction with non-owners of the Group, recognised directly in equity										
Transfer to employee association fund	-	-	-	-	-	-	(1,889)	(1,889)	(358)	(2,247)
Transfer to social and sports fund	-	-	-	-	-	-	(49,625)	(49,625)	-	(49,625)
At 31 December 2018	3,203,200	12,434,282	606,299	22,031	(7,805,451)	1,252,304	12,496,038	22,208,703	5,968,984	28,177,687

* The Group has initially applied IFRS 15 and IFRS 9 as at 1 January 2018. Under the transition method selected, the comparative information is not restated and cumulative catch-up adjustment is recorded in the opening balances.
** On 1 April 2018, the Group lost control in one of its subsidiaries and accordingly deconsolidated the subsidiary. The remaining share in investment is accounted for as an investment in an associate.
*** On 8 August 2018, the Group's shareholding in one of its associate was diluted in accordance with shareholders' agreement.

The attached notes 1 to 47 form part of these consolidated financial statements

Consolidated Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 QR'000	2018 QR'000
OPERATING ACTIVITIES			
Profit before income tax		**2,646,103**	2,277,691
Adjustments for:			
Depreciation and amortisation	7	**8,587,649**	8,000,497
Dividend income	9	**(8,003)**	(43,750)
Impairment losses on goodwill, financial assets and other assets	12, 13, 16, 23	**345,767**	201,004
Gain on disposal of investments at FVTPL		**109**	129
Changes in fair value of investments at FVTPL		**18,640**	(30,554)
Gain on loss of control of a subsidiary		**-**	(235,969)
Gain on disposal of property, plant and equipment		**(89,880)**	(42,783)
Net finance costs	8	**2,087,666**	1,732,802
Provision for employees' benefits	29	**151,363**	213,291
Allowance for impairment of trade receivables	6	**231,337**	342,590
Share of results in associates and joint ventures – net of tax	16	**(57,072)**	(488,737)
Operating profit before working capital changes		**13,913,679**	11,926,211
Working capital changes:			
Changes in inventories		**85,756**	36,562
Changes in trade and other receivables		**(217,209)**	(696,849)
Changes in contract costs and assets		**(77,014)**	(199,333)
Changes in trade and other payables		**887,622**	(451,291)
Changes in contract liabilities		**(30,004)**	(9,959)
Cash from operations		**14,562,830**	10,605,341
Finance costs paid		**(2,126,334)**	(2,007,548)
Employees' benefits paid	29	**(170,382)**	(236,098)
Income tax paid		**(506,014)**	(494,608)
Net cash from operating activities		**11,760,100**	7,867,087

The attached notes 1 to 47 form part of these consolidated financial statements

	Note	2019 QR'000	2018 QR'000
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	12	**(5,657,301)**	(4,664,779)
Acquisition of intangible assets	13	**(478,536)**	(577,179)
Additional investments in associates		**(16,272)**	(21,519)
Additional investments in joint ventures		**-**	(550)
Additional investment in financial assets – equity instruments		**(6,555)**	(18,221)
Proceeds from disposal of property, plant and equipment		**167,898**	159,539
Proceeds from disposal of investments at FVTPL		**21,344**	43,310
Movement in restricted deposits		**(68,777)**	51,649
Movement in short-term deposits		**(110,330)**	428,286
Movement in other non-current assets		**(174,152)**	(155,079)
Dividend received		**119,387**	400,323
Interest received		**316,427**	360,624
Net cash used in investing activities		**(5,886,867)**	(3,993,596)
FINANCING ACTIVITIES (i)			
Proceeds from rights issue of a subsidiary		**-**	56,956
Proceeds from share issue of a subsidiary		**-**	4,119
Acquisition of non-controlling interest		**(808)**	-
Proceeds from loans and borrowings		**10,141,788**	9,103,504
Repayment of loans and borrowings		**(16,664,562)**	(11,931,283)
Principal elements of lease payments	32	**(1,265,585)**	-
Additions to deferred financing costs	28	**(30,028)**	(12,949)
Dividend paid to shareholders of the parent	34	**(800,800)**	(1,121,120)
Dividend paid to non-controlling interests		**(559,022)**	(611,635)
Movement in other non-current liabilities		**364,467**	(458,912)
Net cash used in financing activities		**(8,814,550)**	(4,971,320)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(2,941,317)**	(1,097,829)
Effect of exchange rate fluctuations		**(237,944)**	535,369
Cash and cash equivalents at 1 January		**16,533,142**	17,095,602
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	23	**13,353,881**	16,533,142

(i) *Refer to Note 23 for details of non-cash transactions.*
(ii) Refer to Note 47 for the reconciliation of liabilities arising from financing activities.

The attached notes 1 to 47 form part of these consolidated financial statements

1. REPORTING ENTITY

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

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

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

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

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

The Company and its subsidiaries (together referred to as the "Group") provide domestic and international telecommunication services in Qatar and elsewhere in the Asia and Middle East and North African (MENA) region. Qatar Holding L.L.C. is the immediate and ultimate Parent Company of the Group.

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

The consolidated financial statements of the Group for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Group on 13 February 2020.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association.

b) Basis of measurement

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

- Equity instruments, classified as Fair Value Through Other Comprehensive Income ("FVTOCI") and Fair Value Through Profit and Loss ("FVPTL"), are measured at fair value;
- Derivative financial instruments are measured at fair value; and
- Liabilities for long term incentive points-based payments arrangements are measured at FVTPL.

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

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional currency. All the financial information presented in these consolidated financial statements has been rounded off to the nearest thousand (QR.'000) except where otherwise indicated.

d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in note 38.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1. BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

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

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

a) Business combinations and goodwill

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.1 BASIS OF CONSOLIDATION (Continued)
a) Business combinations and goodwill (Continued)

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

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

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

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

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

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

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of associates and joint ventures less any impairment in the value of individual investments. Losses of the associates and joint ventures in excess of the Group’s interest are not recognised unless the Group has incurred legal or constructive obligations on their behalf. The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if an impairment in the value has occurred, it is written off in the period in which those circumstances are identified.

Any excess of the cost of acquisition over the Group’s share of the fair values of the identifiable net assets of the associates and joint ventures at the date of acquisition is recognised as goodwill and included as part of the cost of investment. Any deficiency of the cost of acquisition below the Group’s share of the fair values of the identifiable net assets of the associates and joint ventures at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

The Group’s share of associates’ and joint ventures’ results is based on the most recent financial statements or interim financial statements drawn up to the Group’s reporting date. For one of the Group’s joint ventures, the Group accounts for its share in the results, assets and liabilities of its joint venture, which is an investment entity and applies fair value measurement to its subsidiaries, using equity method of accounting.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.1 BASIS OF CONSOLIDATION (Continued)
e) Interests in associates and joint ventures (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group (including its consolidated subsidiaries) and its associate or joint venture are recognised in the Group’s consolidated financial statements only to the extent of unrelated group’s interests in the associates or joint ventures.

f) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The subsidiaries of the Group, incorporated in the consolidated financial statements of Ooredoo Q.P.S.C. are as follows:

			Group effective shareholding percentage	
Name of subsidiary	**Principal activity**	**Country of incorporation**	**2019**	**2018**
Ooredoo Investment Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Ooredoo International Investments L.L.C	Investment company	Qatar	**100%**	100%
Ooredoo Group L.L.C.	Management service company	Qatar	**100%**	100%
Ooredoo South East Asia Holding S.P.C	Investment company	Bahrain	**100%**	100%
West Bay Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Ooredoo Asian Investments Pte. Ltd.	Investment company	Singapore	**100%**	100%
Al Dafna Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Al Khor Holding S.P.C.	Investment company	Bahrain	**100%**	100%
IP Holdings Limited	Investment company	Cayman Islands	**100%**	100%
Ooredoo Myanmar Tower Holding Co.	Investment company	Cayman Islands	**100%**	100%
wi-tribe Asia Limited	Investment company	Cayman Islands	**100%**	100%
Ooredoo Asia Pte. Ltd.	Investment company	Singapore	**100%**	100%
Ooredoo International Finance Limited	Investment company	Bermuda	**100%**	100%
MENA Investcom S.P.C.	Investment company	Bahrain	**100%**	100%
Omani Qatari Telecommunications Company S.A.O.G. (“Ooredoo Oman”)	Telecommunication company	Oman	**55.0%**	55.0%
Starlink W.L.L.	Telecommunication company	Qatar	**72.5%**	72.5%
National Mobile Telecommunications Company K.S.C.P (“Ooredoo Kuwait”)	Telecommunication company	Kuwait	**92.1%**	92.1%
Wataniya International FZ – L.L.C.	Investment company	United Arab Emirates	**92.1%**	92.1%
Al-Bahar United Company W.L.L. ("Phono")	Telecommunication company	Kuwait	**92.1%**	92.1%
Al Wataniya Gulf Telecommunications Holding Company S.P.C.	Investment company	Bahrain	**92.1%**	92.1%
Ooredoo Maldives PLC	Telecommunication company	Maldives	**83.3%**	83.3%
WARF Telecom International Pvt. Ltd.	Telecommunication company	Maldives	**59.9%**	59.9%
Wataniya Telecom Algerie S.P.A. (”Ooredoo Algeria”)	Telecommunication company	Algeria	**74.4%**	74.4%
Ooredoo Consortium Ltd.	Investment company	Malta	**92.1%**	92.1%
Duqm Data Centre SAOC (i)	Telecommunication company	Oman	**39.0%**	33.0%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.1 BASIS OF CONSOLIDATION (Continued)
f) Transactions eliminated on consolidation (Continued)

			Group effective shareholding percentage	
Name of subsidiary	Principal activity	Country of incorporation	2019	2018
Ooredoo Tunisia Holdings Ltd.	Investment company	Malta	**92.1%**	92.1%
Ooredoo Malta Holdings Ltd.	Investment company	Malta	**100%**	100%
Ooredoo Tunisie S.A.	Telecommunication company	Tunisia	**84.1%**	84.1%
Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Ooredoo Palestine") (ii)	Telecommunication company	Palestine	**45.4%**	45.4%
Raywood Inc.	Investment company	Cayman Islands	**100%**	100%
Newood Inc.	Investment company	Cayman Islands	**100%**	100%
Midya Telecom Company Limited ("Fanoos") (iii)	Telecommunication company	Iraq	**49.0%**	49.0%
Al-Rowad General Services Limited	Investment company	Iraq	**100%**	100%
Asiacell Communications PJSC	Telecommunication company	Iraq	**64.1%**	64.1%
wi-tribe Limited	Investment company	Cayman Islands	**86.1%**	86.1%
Barzan Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Laffan Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Zekreet Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Ooredoo Myanmar Ltd.	Telecommunication company	Myanmar	**100%**	100%
Al Wokaer Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Al Wakrah Holding S.P.C.	Investment company	Bahrain	**100%**	100%
Ooredoo Tamweel Ltd.	Investment company	Cayman Islands	**100%**	100%
Ooredoo IP L.L.C.	Management service company	Qatar	**100%**	100%
Ooredoo Global Services FZ-L.L.C	Management service company	United Arab Emirates	**-**	100%
Ooredoo Global Services L.L.C	Management service company	Qatar	**100%**	100%
Seyoula International Investments W.L.L	Investment company	Qatar	**100%**	100%
Fast Telecommunications Company W.L.L.	Telecommunication company	Kuwait	**92.1%**	92.1%
Ooredoo Myanmar Fintech Limited	Telecommunication company	Myanmar	**100%**	100%
OIH Investment L.L.C.	Investment company	Qatar	**100%**	100%
Al Wokaer East L.L.C.	Investment company	Qatar	**100%**	100%
Barzan East L.L.C.	Investment company	Qatar	**100%**	100%
Mena Investcom L.L.C.	Investment company	Qatar	**100%**	100%
Al Wakra East L.L.C.	Investment company	Qatar	**100%**	100%
OSEA Investment L.L.C.	Investment company	Qatar	**100%**	100%
PT. Indosat Tbk ("Indosat Ooredoo")	Telecommunication company	Indonesia	**65.0%**	65.0%
Indosat Singapore Pte. Ltd.	Management service company	Singapore	**65.0%**	65.0%
PT Indosat Mega Media	Telecommunication company	Indonesia	**64.9%**	64.9%
PT Starone Mitra Telekomunikasi	Telecommunication company	Indonesia	**65.0%**	65.0%
PT Aplikanusa Lintasarta (iv)	Telecommunication company	Indonesia	**47.0%**	47.0%
PT Lintas Media Danawa (iv)	Investment company	Indonesia	**32.9%**	32.9%
PT Interactive Vision Media	Telecommunication company	Indonesia	**64.9%**	64.9%
PT Portal Bursa Digital (iv)	Investment company	Indonesia	**40.3%**	40.3%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.1 BASIS OF CONSOLIDATION (Continued)

(i) The Group has the power, indirectly through Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman") by virtue of Ooredoo Oman having more than 51% of the voting interest or control in this company, to which exposes the Group to variable return from its investment and gives ability to affect those returns through its power over them, hence, this company has been considered as a subsidiary of the Group.

(ii) The Group holds 45.4% (2018: 45.4%) of Ooredoo Palestine and has established control over the entity as it can demonstrate power through its indirect ownership of National Mobile Telecommunications Company K.S.C.P. ("NMTC") by virtue of NMTC having more than 51% of the voting interests in Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Ooredoo Palestine"). This exposes and establishes rights of the Group to variable returns and gives ability to affect those returns through its power over Ooredoo Palestine. Wataniya Palestine was rebranded to Ooredoo Palestine in 2018 (although the legal name remains Wataniya Palestine).

(iii) The Group incorporated Raywood Inc ("Raywood"), a special purpose entity registered in Cayman Islands with 100% (2018: 100%) voting interest held by the Group to carry out investment activities in Iraq. Raywood acquired 49% voting interest of Midya Telecom Company Limited ("Fanoos") in Iraq. Although the Group holds less than a majority of the voting rights of Fanoos, the Group can still demonstrate its power by virtue of shareholders' agreement entered into between Raywood and Fanoos, Iraq. This arrangement exposes the Group to variable returns and gives the ability to affect those returns over Fanoos.

(iv) The Group has the power, indirectly through PT Indosat Tbk ("Indosat Ooredoo") by virtue of Indosat Ooredoo having control over these companies. This exposes the Group to variable returns from their investment and gives ability to affect those returns through its power over them. Hence, these companies have been considered as subsidiaries of the Group.

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)
3.2.1 New and amended IFRSs that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these consolidated financial statements.

The Group adopted IFRS 16, Leases, which replaces the existing guidance on leases, including IAS 17, Leases, IFRIC 4, Determining whether an arrangement contains a lease, SIC 15, Operating leases – Incentives and SIC 27, Evaluating the substance of transactions in the legal for of a lease. The impact of the adoption of this standard and the new accounting policies are disclosed in note 3.2.1.

IFRS 16 Leases – Impact of Adoption

The Group has applied IFRS 16, which replaces IAS 17 Leases and the related interpretations, with a date of initial application of 1 January 2019. IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Group's statement of financial Position, unless the term is 12 months or less or the lease relates to low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs, including asset retirement obligations, and which is amortized over the useful life.

The Group has adopted IFRS 16 using the modified retrospective approach and has therefore not restated comparatives for the 2018 reporting period as permitted under the specific transitional provisions in the standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

3.2.1 New and amended IFRSs that are effective for the current year (Continued)

Impact of initial application of IFRS 16 Leases

Upon transition to IFRS 16, the Group recognized QR. 5,619,868 thousand of right-of-use assets and QR. 5,597,524 thousand of lease liabilities. The impact of initial recognition of IFRS 16 on the consolidated financial statements as at 1 January 2019 is provided below.

The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.38%. IFRS 16 transition disclosures also require the Group to present the reconciliation between the off-balance sheet operating lease obligation as of 31 December 2018 to the lease liabilities as of 1 January 2019, as follows:

	QR'000
Adjusted operating lease commitment at 31 December 2018	5,600,703
Discounted using the incremental borrowing rate as at 1 January 2019	4,153,509
Add: Finance lease liabilities recognized as at 31 December 2018	887,538
Less: Short term leases	(43,181)
Less: Leases of low value assets	(403)
Add (less): Extension and termination options reasonably certain to be exercised	604,326
Less: Variable lease payments based on an index or a rate	(4,265)
Lease liabilities recognized as at 1 January 2019	5,597,524
Of which are:	
Non-current lease liabilities	4,900,488
Current lease liabilities	697,036

The associated right-of-use assets were measured on a modified retrospective basis. The Group has used a combined approach in recognizing its right-of-use assets. Certain right-of-use assets are measured as if the new rules had always been applied, whereas others were measured at the amount equal to the lease liability, further adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at the date of initial application. 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 recognized right-of-use of assets relate to the following types of assets:

	31 December 2019 QR'000	1 January 2019 QR'000
Land and buildings	2,137,456	1,840,837
Exchange and network assets	3,765,723	3,594,491
Subscriber apparatus and other equipment	82,750	132,160
Indefeasible rights-of-use (IRU)	47,919	52,380
Total right-of-use assets	6,033,848	5,619,868

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

3.2.1 New and amended IFRSs that are effective for the current year (Continued)

Impact of initial application of IFRS 16 Leases (continued)

As at transition date, the Group reclassified property, plant and equipment amounting to QR. 880,280 thousand to right-of-use assets (Note 12). During the year ended 31 December 2019, additions to right-of-use assets amounted to QR. 1,595,425 thousand, whereas depreciation and amortisation of right-of-use assets amounted to QR. 1,108,826 thousand.

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 2019:

Financial statement line item	Increase (decrease) QR'000
Right-of-use assets	5,619,868
Property, plant and equipment	(880,280)
Deferred tax assets	31,742
Other non-current assets	(297,223)
Trade and other receivables	(149,505)
Retained earnings	(416,503)
Non-controlling interests	(10,827)
Lease liabilities	5,597,524
Other non-current liabilities	(709,569)
Trade and other payables	(136,023)

The change in accounting policy affected the following items in the consolidated statement of profit or loss for the year ended 31 December 2019:

Financial statement line item	Increase (decrease) QR'000
Operating expenses	955,069
Selling, general and administrative expenses	115,857
Depreciation and amortisation	(928,711)
Net finance costs	(371,261)
Other income – net	1,103
Income tax	43,062
Profit for the period	(184,881)
Profit attributable to the shareholders	(139,331)
Profit attributable to non-controlling interest	(45,550)

Earnings per share decreased by QR. 0.04 per share for the year ended 31 December 2019 as a result of the adoption of IFRS 16 (Note 46).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)
3.2.2 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 9 *Prepayment Features with Negative Compensation and Modification of financial liabilities* The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.	1 January 2019
Amendments to IAS 28 *Investment in Associates and Joint Ventures*: Relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	1 January 2019
Annual Improvements to IFRSs 2015-2017 *Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs* The *Annual Improvements* include amendments to four Standards. IAS 12 *Income Taxes* The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. IAS 23 *Borrowing costs* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. IFRS 3 *Business Combinations* The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. IFRS 11 *Joint Arrangements* The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.	1 January 2019
Amendments to IAS 19 *Employee Benefits Plan Amendment, Curtailment or Settlement* The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.	1 January 2019

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)
3.2.2 New and revised IFRSs applied with no material effect on the consolidated financial statements (Continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRIC 23 *Uncertainty over Income Tax Treatments* The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.	1 January 2019

3.2.3 New and revised IFRSs in issue but not yet effective and not early adopted

New and revised IFRSs	Effective for annual periods beginning on or after
Definition of Material - Amendments to IAS 1 *Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'	1 January 2020
Definition of a Business – Amendments to IFRS 3 *Business Combinations* The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.	1 January 2020
Amendments to *References to the Conceptual Framework in IFRS Standards* Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	1 January 2020
IFRS 7 Financial Instruments: Disclosures and IFRS 9 — Financial Instruments Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2020
IFRS 17 *Insurance Contracts* IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at 1 January 2022.	1 January 2022
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue
Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognizes revenue when it transfers control over goods or services to its customers.

Revenue from telecommunication services mainly consists of access charges, airtime usage, messaging, interconnect fees, data and connectivity services, connection fees and other related services. Services are offered separately or as bundled packages along with other services and/ or devices.

For bundle packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "PO") in a bundle based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately (e.g. customer loyalty program) the Group estimates standalone selling prices using other methods (i.e. adjusted market assessment approach, cost plus margin approach or residual approach).

The Group principally obtains revenue from following key segments:

Mobile services
Mobile service contracts typically consist of specific allowances for airtime usage, messaging and data, and connection fees. In this type of arrangement, the customer simultaneously receives and consumes the benefits as the Group performs the service. Thus, the revenue is recognized over the period as and when these services are provided.

Fixed services
The Group offers fixed services which normally include installation and configuration services, internet connectivity, television and telephony services. These services are bundled with locked or unlocked equipment, such as router and/ or set-top box. Similar to mobile service contracts, fixed service revenue with locked equipment are recognized over the contract period, whereas revenue recognition for unlocked equipment is upon transfer of control to the customer.

Sale of unlocked devices
Devices such as smart phones, tablets, Mi-Fis that are sold separately and are not bundled with mobile/ fixed service contracts have standalone value to the customer and are unlocked devices. The revenue from sale of unlocked devices is recognized upon transfer of control to the customer.

Interconnection service
Revenue from the interconnection of voice and data traffic with other telecommunications operators is recognised at the time of transit across our network.

Revenue from transit services
The Group determines whether it will be acting as principal or an agent on these types of arrangements and accordingly recognises gross revenue if it is a principal, and net revenue if it is an agent.

Customer loyalty schemes
The Group has concluded that it is acting as an agent on customer loyalty scheme arrangements which are redeemed through its partners hence revenue is accounted on net basis. These changes have resulted in decrease in revenue and cost from loyalty schemes.

The Group concluded that under IFRS 15, the loyalty scheme gives rise to a separate performance obligation because it generally provides a material right to the customer. The Group allocates a portion of the transaction price to the loyalty scheme liability based on the relative standard standalone selling price of loyalty points and a contract liability is recognised until the points are redeemed or expired.

Value-added services
The Group has offerings where it provides customer with additional content, such as music and video streaming and SMS services, as Value-Added Services (VAS). On this type of services, the Group determines whether they are acting as a principal and accordingly recognizes gross revenue if it is a principal, and net revenue if it is an agent.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Revenue (CONTINUED)

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

Multi elements arrangements (Mobile contract plus handset)
The Group has concluded that in case of multiple elements arrangements with subsidized products delivered in advance, the component delivered in advance (e.g. mobile handset), will require recognition of a contract asset. Contract asset primary relates to the Group's right on consideration for services and goods provided but not billed at the reporting date.

Installation cost, commissions to third party dealers, marketing expenses
The Group has concluded that commissions and installation costs meet the definition of incremental costs to acquire a contract or a costs to fulfil a contract. The Group has capitalized these expenses as contract cost assets and amortized as per portfolio approach. Recognized contract assets will be subject to impairment assessment under IFRS 9 requirements.

Upfront commission
The Group has concluded that the sale of prepaid cards to dealers or distributors where the Group retains its control over the prepaid cards is assessed as a consignment arrangement. Thus, the Group shall not recognize revenue upon sale to dealers or distributors but upon utilisation or expiration of prepaid cards. Consequently, the commission arising from the sale of prepaid card is recognized as an expense.

In cases where the Group transfers its control over the prepaid cards to dealers, distributors or customers, the Group has concluded that the upfront commission qualifies as a consideration payable to a customer and therefore will be treated as a reduction of the transaction price. Similarly, the Group shall recognise revenue only upon utilization or expiration of prepaid cards.

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

Contract assets and liabilities
The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

Discounts and promotions
The Group provides various discounts and promotions to its customers, which may be agreed at inception or provided during the contract term. The impact and accounting of these discounts and promotions vary under IFRS 15 which may result in recognition of contract asset.

Contract modification
The Group has applied IFRS 15 using modified retrospective approach using practical expedient in paragraph C5(c) of IFRS 15, under which, for contracts that were modified before 1 January 2018, the Group need not to retrospectively restate the contract for those contract modifications. Instead, the Group reflected the aggregate effect of all of the modifications that occurred before 1 January 2018 and presented when (i) the performance obligations were satisfied and unsatisfied; (ii) determined the transaction price; and (iii) allocated the transaction price.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases
Upon adoption of IFRS 16 – applicable from 1 January 2019

A. Definition of leases
Under IFRS 16, the Group assesses whether a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a. The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
b. The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
c. The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
   (i) The Group has the right to operate the asset; or
   (ii)The Group designed the asset in a way that predetermines how and for what purpose it will be used.

Upon transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases, and accordingly applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether they constitute a lease.

B. As a lessee
The Group leases several assets including sites, office buildings, shops, vehicles and others. The average lease term is 2 to 20 years. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Under IFRS 16, the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate over a period of lease term. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease term determined by the Group comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.
Lease payments included in the measurement of the lease liability comprise the following:
a. Fixed payments; and
b. Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets, which do not meet the definition of investment property, separately from other assets and also separately presents lease liabilities, in the consolidated statement of financial position. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all class of underlying assets that have a lease term of 12 months or less, or those leases which have low-value underlying assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Leases (Continued)
Upon adoption of IFRS 16 – applicable from 1 January 2019 (Continued)

The Group has elected not to separate non-lease components from lease components and instead accounts for each lease component and associated non-lease components as a single lease component.

For lease contracts entered into before 1 January 2019, IFRS 16 has been applied as below:

(i) Leases classified as operating leases under IAS 17
The Group has recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These lease liabilities were measured at the present value of the remaining lease payments, and discounted using the lessee's incremental borrowing rate as of 1 January 2019. Right-of-use assets are measured at either:
a. Their carrying amounts as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.
b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has applied the above approach for determining right-of-use assets on lease by lease basis.

The Group has used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 on a lease by lease or class of underlying asset basis.
a. Applied a single discount rate to a portfolio of leases with similar characteristics.
b. Relied on its assessment of whether leases are onerous applying IAS 37 immediately before the date of initial application, as an alternative to performing an impairment review under IAS 36.
c. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
d. Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
e. Applied the exemption not to recognize right-of-use assets and liabilities for leases with underlying assets assessed as low value and short-term leases.
f. Used hindsight when determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Leases previously classified as finance leases
For leases that were previously classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17, immediately before 1 January 2019.

C. As a lessor
The accounting policies applicable to the Group as a lessor in the comparative period are not materially different from IFRS 16. Accordingly, the Group accounted for its leases in accordance with IFRS 16 from the date of initial application, and is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for sub-leases.

The Group performs an assessment of each lease on inception. If a lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, it is classified as a finance lease, otherwise, it is classified as an operating lease. The Group also considers certain indicators, such as whether the lease is for the major part of the economic life of the asset, as a part of its assessment.

The operating leases entered in to by the Group mainly relate to tower sharing arrangements, which have a lease term of 2 to 15 years. The lessee does not have an option to purchase the asset at the expiry of the lease period, and the unguaranteed residual values do not represent a significant risk for the Group.

The Group has also entered in finance lease arrangements for optical fiber agreements, which have a lease term of 15 to 20 years.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The lease classification of a sub-lease is assessed with reference to the right-of-use asset arising from the head lease, and not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the claimed exemption, the sub-lease is classified as an operating lease.

When an arrangement contains lease and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income in the consolidated statement of profit or loss, on a straight line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Leases (Continued)

Leases under IAS 17, applicable before 1 January 2019
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

The Group as lessor
Leases where we retain substantially all the risks and benefits of ownership of the asset are classified as operating leases. Any initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Rental income is recognized in our consolidated income statement on a straight-line basis over the lease term.

The amounts due from lessees under finance leases are recorded as receivables at the amount of Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of leases.

Revenue from the sale of transmission capacity on terrestrial and submarine cables are recognized on a straight-line basis over the life of the contract. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee
Rentals payable under operating leases are charged to the consolidated statement of profit or loss on a straight –line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

All other leases are classified as finance leases. A finance lease gives rise to the recognition of a leased asset and finance lease liability. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that we will obtain ownership of the leased asset at the end of the lease term. Interest expense is recognized over the lease term using the effective interest method ("EIR").

Sale and leaseback transactions – where the Group is the lessee
A sale and leaseback transaction involves the sale of an asset by the Group and the leasing of the same asset back to the Group. The lease payments and the sale price are usually interdependent as they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved and the economic and commercial substance of the whole arrangement.

(a) Finance leases
Sale and leaseback arrangements that result in the Group retaining the majority of the risks and rewards of ownership of assets are accounted for as finance leases. Any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

(b) Operating leases
Sale and leaseback arrangements that result in substantially all of the risks and rewards of ownership of assets being transferred to the lessor are accounted for as operating leases. Any excess of sales proceeds over the carrying amount is recognised in the statement of profit or loss as gain on disposal.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Other income – net (Continued)

Dividend income
Dividend income is recognised when the Group's right to receive the dividend is established

Commission income
When the Group acts in the capacity of an agent rather than as the principal in the transaction, the revenue recognised is the net amount of commission made by the Group.

Ancillary service income
Revenue from ancillary services is recognised when these services are provided.

Other expenses
Other expenses comprise of fair value losses on financial assets at fair value through profit or loss, losses on hedging instruments that are recognised in consolidated statement of profit or loss and reclassifications of net losses previously recognised in consolidated statement of comprehensive income.

Borrowing cost
Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in consolidated statement of profit or loss using the effective interest method.

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.

Taxation
Some of the subsidiaries, joint ventures and associates are subject to taxes on income in various foreign jurisdictions. Income tax expense represents the sum of current and deferred tax.

Current income tax
Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting year and any adjustment to tax payable in respect of previous years

Deferred income tax
Deferred income tax is provided based on temporary differences at the end of the financial reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unutlised tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred income tax (Continued)

The carrying amount of deferred income tax assets is reviewed at each end of the financial reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the financial reporting year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the financial reporting year.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year
Current and deferred income tax are recognized in profit or loss, except when they related to items that are recognized in other comprehensive income or directly in equity, in which case, the current deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred income tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax exposure
In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgments regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss or other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

Net finance cost

Finance income comprises interest income on funds invested that is recognised in the consolidated statement of profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using effective interest method.

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

Property, plant and equipment

Recognition and measurement
Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Recognition and measurement (Continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets include the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in consolidated statement of profit or loss.

Capital work-in-progress is transferred to the related property, plant and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Transfer to investment property
When the use of property changes from owner-occupied to investment property, the property is reclassified accordingly at the carrying amount on the date of transfer in accordance with cost model specified under IAS 40.

Expenditure
Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation
Items of property, plant and equipment are depreciated on a straight line basis in the consolidated statement of profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of these assets commences from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives of the property, plant and equipment are as follows:

Buildings	5 – 40 years
Exchange and networks assets	5 – 25 years
Subscriber apparatus and other equipment	2 – 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Property, plant and equipment (Continued)

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

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

Intangible assets and goodwill
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the nature of the intangible asset.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognized in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Indefeasible rights of use ("IRU")
IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortised on a straight line basis over the shorter of the expected period of use and the life of the contract which ranges between 10 to 15 years.

Capital work-in-progress related to IRU is initially presented as part of property, plant and equipment. When the construction or installation and related activities necessary to prepare the IRU for their intended use and operations have been completed, the related IRU will be transferred from property, plant and equipment to intangible assets.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Goodwill
Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the investee at the date of acquisition which is not identifiable to specific assets.

Goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Intangible assets and goodwill (Continued)
Goodwill (Continued)

Each unit or group of units to which the goodwill is allocated:
- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's operating segments as determined in accordance with IFRS 8, Operating Segments.

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

		License costs	***Customer contracts and related customer relationship***	***Brand / Trade names***	***IRU, software and other intangibles***
Useful lives	:	Finite (10 – 50 years)	Finite (2 – 8 years)	Finite (6 – 25 years)	Finite (3 – 15 years)
Amortisation method used	:	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability.	Amortised on a straight line basis over the periods of availability	Amortised on a straight line basis over the periods of availability
Internally generated or acquired	:	Acquired	Acquired	Acquired	Acquired

Investment property
Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose. Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and amortisation. Depreciation and amortisation of investment properties are computed using the straight line method over the estimated useful lives (EUL) of assets of twenty (20) years.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are depreciated on straight line basis using estimated useful life of 20 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

Fair value measurement
For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IAS 17 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.
All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value through other comprehensive or fair value through profit and loss, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments designated at amortised cost
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Financial instruments (Continued)
Amortised cost and effective interest rate method (Continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

(ii) Debt instruments designated at FVTOCI
Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Equity instruments designated as at FVTOCI
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to consolidated statement of profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade and other receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade and other receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Financial instruments (Continued)
Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default
The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group. For trade receivables, the average credit terms are 30-90 days.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;
(c) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Financial instruments (Continued)
Impairment of financial assets (continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

(iv) Measurement and recognition of expected credit losses
The Group recognises an impairment gain or loss in consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

(v) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to consolidated statement profit or loss, but is transferred to retained earnings.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Financial instruments (Continued)

Financial liabilities
All financial liabilities are measured either at FVTPL or at amortised cost using the effective interest method.

Financial liabilities at FVTPL
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in consolidated statement of comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch consolidated statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in consolidated statement of comprehensive income are not subsequently reclassified to consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in consolidated statement of profit or loss.

Financial liabilities measured at amortised cost
Financial liabilities, that are not designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital
Ordinary shares
Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Group. Any share premium on rights issue are accounted in compliance with local statutory requirements.

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

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Where the effect of the assumed conversion of the convertible notes and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Inventories
Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured as a best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Decommissioning liability
The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The Group records full provision for the future costs of decommissioning for network and other assets. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related network and other assets to the extent that it was incurred by the development/ construction.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to network and other assets. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, the estimate for the revised value of network and other assets net of decommissioning provision exceeds the recoverable value, that portion of the increase is charged directly to expense.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Provisions (continued)

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss as a finance cost.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

End of service benefits
The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Pensions and other post-employment benefits
Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With respect to the Qatari nationals, the Company makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Company's share of contributions to these schemes, which are defined contribution schemes under IAS – 19 Employee Benefits are charged to the consolidated statement of profit or loss.

Long-term incentive plan
The Group provides long term incentive points (the "benefit") to its employees under the long term incentive plan. The entitlement to these benefits is based on employee performance and the overall performance of the Group, subject to fulfilling certain conditions ("vesting conditions") under documented plan and is payable upon end of the vesting period (the "exercise date"). The benefit is linked to the performance of employees and the Group, and the Group proportionately recognise the liability against these benefits over the vesting period through the consolidated statement of profit or loss, until the employees become unconditionally entitled to the benefit.

The fair value of the liability is reassessed on each reporting date and any changes in the fair value of the benefit are recognized through the consolidated statement of profit or loss.

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on number of factors including the number of incentive points awarded, the Company's operating performance based on predetermined targets and the Company's share price performance over the vesting period. On breach of the vesting conditions, the liability is derecognised through the consolidated statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
3.3 SUMMARY OF SIGNIFICANT 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 profit or loss, except for differences arising on the retranslation of available-for-sale equity investments which are recognised in other comprehensive income.

Translation of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Qatari riyals at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Qatari Riyals at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statement of profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Segment reporting
Segment results that are reported to the Group's Chief Operating Decision Maker ("CODM") include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Financial information on operating segments is presented in note 44 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.

4. REVENUE

	2019 QR.'000	2018 QR.'000
Revenue from rendering of telecommunication services	**28,238,146**	27,895,273
Sale of telecommunications equipment	**1,380,006**	1,747,461
Revenue from use of assets by others	**297,389**	283,990
	29,915,541	29,926,724
Timing of revenue recognition		
At a point in time	**1,380,006**	1,747,461
Overtime	**28,535,535**	28,179,263
	29,915,541	29,926,724

Management expects that the transaction price allocated to the unsatisfied contracts as at 31 December 2019, mainly relating to deferred income, will be recognized as revenue during 2020 and 2021.

5. OPERATING EXPENSES

	2019 QR.'000	2018 QR.'000
Outpayments and interconnect charges	**2,404,144**	2,445,705
Regulatory and related fees	**2,516,260**	2,446,224
Rentals and utilities – network	**1,158,179**	1,755,657
Network operation and maintenance	**2,160,914**	2,129,052
Cost of equipment sold and other services	**2,752,919**	3,011,024
Provision for obsolete and slow moving inventories	**38,761**	15,848
	11,031,177	11,803,510

6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2019 QR.'000	2018 QR.'000
Employee salaries and associated costs	**3,207,576**	3,269,380
Marketing costs and sponsorship	**876,631**	932,101
Commission on cards	**581,063**	594,934
Legal and professional fees	**267,905**	215,816
Rental and utilities	**111,192**	253,226
Allowance for impairment of trade receivables	**231,337**	342,590
Repairs and maintenance	**86,961**	88,698
Other expenses	**731,521**	712,967
	6,094,186	6,409,712

7. DEPRECIATION AND AMORTISATION

	2019 QR.'000	2018 QR.'000
Depreciation of property, plant and equipment	**5,707,580**	5,982,369
Depreciation of investment property	**9,511**	8,128
Amortisation of intangible assets	**1,761,732**	2,010,000
Amortisation of right-of-use assets	**1,108,826**	-
	8,587,649	8,000,497

8. NET FINANCE COSTS

	2019 QR.'000	2018 QR.'000
Finance cost		
Interest expenses	**1,815,641**	1,858,486
Profit on Islamic financing obligation	**52,745**	170,965
Amortisation of deferred financing costs (note 28)	**52,158**	93,385
Interest cost on lease liability	**451,996**	-
Other finance charges	**32,271**	(29,410)
	2,404,811	2,093,426
Finance income		
Interest income	**(317,145)**	(360,624)
Net finance costs	**2,087,666**	1,732,802

9. OTHER INCOME – NET

	2019 QR.'000	2018 QR.'000
Foreign currency (loss)/gain – net	**156,306**	(360,366)
Dividend income	**8,003**	43,750
Rental income	**31,464**	30,003
Change in fair value of derivatives – net	**(10,661)**	4,516
Unrealised gain on equity investments at FVTPL	**(18,640)**	30,554
Miscellaneous income – net (i)	**1,145,100**	720,883
	1,311,572	469,340

i.Miscellaneous income – net includes:

- In 2019, a gain of approximately QR. 668,000 thousand arising from sale and leaseback transaction entered into by one of the Group's subsidiaries, Indosat Ooredoo (Note 12, 14).
- In 2018, gain on loss of control of a subsidiary and compensation received for performing certain one off ancillary services in Qatar.

10. ROYALTIES AND FEES

	2019 QR.'000	2018 QR.'000
Royalty (i)	**276,634**	262,603
Industry fees (ii)	**198,361**	206,763
Other statutory fees (iii)	**16,642**	19,790
	491,637	489,156

i. Royalty is payable to the Government of the Sultanate of Oman based on 12% of the net of predefined sources of revenue and interconnection expenses to local operators for mobile license and 7% for fixed license.

ii. In accordance with its operating licenses for Public Telecommunications Networks and Services granted in Qatar by ictQATAR, now referred to as the Communications Regulatory Authority (CRA), the Company is liable to pay to the CRA an annual industry fee which is calculated at 12.5% of adjusted net profit on regulated activities undertaken in Qatar pursuant to the licenses.

iii. Contributions by National Mobile Telecommunications Company K.S.C.P. to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat are included under other statutory fees.

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Parent by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and therefore, the diluted earnings per share is equal to the basic earnings per share.

	2019	2018
Profit for the year attributable to shareholders of the parent (QR.'000)	**1,724,826**	1,565,065
Weighted average number of shares (in '000)	**3,203,200**	3,203,200
Basic and diluted earnings per share (QR.)	**0.54**	0.49

** Refer to Note 3.2.1 for impact of IFRS 16 adoption on basic and diluted earnings per share.*
** Refer to Note 46 for information on share split.*

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings QR.'000	Exchange and networks assets QR.'000	Subscriber apparatus and other equipment QR.'000	Capital work in progress QR.'000	Total QR.'000
Cost					
At 1 January 2018	8,229,153	56,419,228	7,776,746	2,166,966	74,592,093
Additions	270,682	902,183	203,013	3,560,753	4,936,631
Transfers	235,168	1,844,468	486,813	(2,566,449)	-
Disposals	(48,399)	(336,902)	(244,397)	(34)	(629,732)
Impairment	-	-	-	(29,571)	(29,571)
Reclassification	2,949	446,288	(225,151)	(211,125)	12,961
Exchange adjustment	(330,921)	(2,225,290)	(328,233)	(95,432)	(2,979,876)
At 31 December 2018	8,358,632	57,049,975	7,668,791	2,825,108	75,902,506
Initial application of IFRS 16	(1,516,679)	(104,098)	(203,203)	-	(1,823,980)
Additions	11,495	1,135,361	118,203	5,078,973	6,344,032
Transfers	34,613	1,417,801	188,370	(1,640,784)	-
Disposals	(313,883)	(1,964,581)	(271,368)	(16)	(2,549,848)
Reclassification	245,278	2,591,652	106,610	(2,964,319)	(20,779)
Exchange adjustment	161,462	1,125,193	133,050	60,254	1,479,959
At 31 December 2019	**6,980,918**	**61,251,303**	**7,740,453**	**3,359,216**	**79,331,890**
Accumulated depreciation					
At 1 January 2018	4,397,267	35,290,154	5,430,365	-	45,117,786
Provided during the year	495,931	4,682,232	804,206	-	5,982,369
Disposals	(26,756)	(358,027)	(131,233)	-	(516,016)
Reclassification	(14,156)	158,811	(131,557)	-	13,098
Impairment	4,006	16,023	-	-	20,029
Exchange adjustment	(216,484)	(1,484,103)	(221,666)	-	(1,922,253)
At 31 December 2018	4,639,808	38,305,090	5,750,115	-	48,695,013
Initial application of IFRS 16	(820,409)	(25,667)	(97,624)	-	(943,700)
Provided during the year	355,083	4,578,483	774,014	-	5,707,580
Disposals	(203,106)	(1,788,702)	(236,221)	-	(2,228,029)
Reclassification	(9,497)	39,462	(34,755)	-	(4,790)
Exchange adjustment	119,156	838,601	103,020	-	1,060,777
At 31 December 2019	**4,081,035**	**41,947,267**	**6,258,549**	**-**	**52,286,851**
Carrying value					
At 31 December 2019	**2,899,883**	**19,304,036**	**1,481,904**	**3,359,216**	**27,045,039**
At 31 December 2018	3,718,824	18,744,885	1,918,676	2,825,108	27,207,493

i) In 2018, exchange and network assets included finance lease assets recognized on account of sale and lease back transaction of one of the Group's subsidiaries, Indosat Ooredoo, which form part of right-of-use assets at 31 December 2019.
ii) Asiacell reached an agreement with a local bank wherein it received properties in exchange for the equivalent value of the bank deposits. As at 31 December 2019, Asiacell had received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to QR. 481,900 thousand. Currently, the legal title is transferred to a related party of Asiacell and it will be transferred in the name of Asiacell upon completing legal formalities. However, the Group has obtained an indemnity letter from the related party that these assets are under the Group's control and the ownership will be transferred upon completing the legal formalities. During the year Asiacell appointed a third party consultant to review the status of these properties.
iii) Certain property, plant and equipment amounting to QR. 138,837 thousand (2018: 295,928 thousand) are used as collaterals to secure the Group's borrowings.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019

13. INTANGIBLE ASSETS AND GOODWILL

	Goodwill QR.'000	License costs QR.'000	Customer contracts and related customer relationship QR.'000	Brand/ Trade names QR.'000	IRU, software and other intangibles QR.'000	Total QR.'000
Cost						
At 1 January 2018	9,676,076	28,939,463	652,027	2,663,251	3,684,600	45,615,417
Additions	-	1,101,677	-	-	207,193	1,308,870
Disposals	-	-	-	-	(27,930)	(27,930)
Reclassification	-	-	-	-	(12,961)	(12,961)
Exchange adjustment	(662,179)	(1,126,041)	(47,716)	(123,921)	(54,282)	(2,014,139)
At 31 December 2018	9,013,897	28,915,099	604,311	2,539,330	3,796,620	44,869,257
Additions	-	912,835	-	-	211,465	1,124,300
Disposals	-	-	-	-	(94,174)	(94,174)
Reclassification	-	-	-	-	1,273	1,273
Exchange adjustment	287,093	412,683	26,325	75,311	15,855	817,267
At 31 December 2019	**9,300,990**	**30,240,617**	**630,636**	**2,614,641**	**3,931,039**	**46,717,923**

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019

13. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Goodwill QR.'000	License costs QR.'000	Customer contracts and related customer relationship QR.'000	Brand/ Trade names QR.'000	IRU, software and other intangibles QR.'000	Total QR.'000
Accumulated amortization and impairment losses						
At 1 January 2018	578,846	11,777,967	650,661	1,526,035	2,276,925	16,810,434
Amortisation / impairment during the year	9,760	1,612,513	1,024	83,893	312,570	2,019,760
Disposals	-	-	-	-	(24,890)	(24,890)
Reclassification	-	-	-	-	(13,098)	(13,098)
Exchange adjustment	(45,656)	(377,506)	(47,714)	(63,816)	(44,943)	(579,635)
At 31 December 2018	542,950	13,012,974	603,971	1,546,112	2,506,564	18,212,571
Amortisation / impairment during the year	-	1,641,603	339	84,261	306,019	2,032,222
Disposals	-	-	-	-	(90,921)	(90,921)
Exchange adjustment	19,978	146,519	26,326	37,970	13,371	244,164
At 31 December 2019	**562,928**	**14,801,096**	**630,636**	**1,668,343**	**2,735,033**	**20,398,036**
Carrying value At 31 December 2019	**8,738,062**	**15,439,521**	**-**	**946,298**	**1,196,006**	**26,319,887**
At 31 December 2018	8,470,947	15,902,125	340	993,218	1,290,056	26,656,686

13. INTANGIBLE ASSETS AND GOODWILL (Continued)

i. Impairment testing of goodwill

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

Cash generating units	Carrying value 2019 QR.'000	Carrying value 2018 QR.'000
Ooredoo Kuwait	**587,715**	586,767
Ooredoo Algeria	**2,125,951**	2,122,379
Ooredoo Tunisie	**2,466,955**	2,331,651
Indosat Ooredoo	**3,162,271**	3,035,030
Asiacell	**353,408**	353,408
Ooredoo Maldives	**29,739**	29,689
Others	**12,023**	12,023
	8,738,062	8,470,947

Goodwill was tested for impairment as at 31 December 2019. The recoverable amount of the CGUs was determined based on value in use calculated using cash flows projections by management covering a period of five to seven years.

During the year, the Group has recorded an impairment loss against certain assets since their recoverable amount was lower than their carrying value.

ii. Key Assumptions used in value in use calculations

Key Assumptions
The principal assumptions used to determine value-in-use include long-term cash flows, discount rates, terminal value growth rate estimates, EBITDA growth rate and CAPEX. The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

Discount rates
Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU and ranged from 8.4% to 16.6% (2018: 8.8% to 16.2%). In determining the appropriate discount rates for each unit, the yield local market ten-year government bond is used, where available. If unavailable, yield on a ten-year US Treasury bond and specific risk factors for each country has been taken into consideration.

Budgeted Capex
The cash flow forecasts for budgeted capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing enhanced voice and data products and services, and meeting the population coverage requirements of certain licenses of the Group. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets.

Long-term cash flows and working capital estimates
The Group prepares cash flow forecasts for the next five to seven years, derived from the most recent annual business plan approved by the Board of Directors.

The business plans take into account local market considerations such as the number of subscribers, roaming revenue, average revenue per user, operating costs, taxes, capital expenditure, and EBITDA. The growth rate does not exceed average long-term growth rate for the relevant markets and it ranges from 2.75% to 5.5% (2018: 2.75% to 4%).

14. RIGHT-OF-USE ASSETS

	Right-of-use assets				
	Land and buildings QR.'000	**Exchange and networks assets QR.'000**	**Subscriber apparatus and other equipment QR.'000**	**Indefeasible rights-of-use (IRU) QR.'000**	**Total QR.'000**
Cost					
Initial application of IFRS 16 at 1 January 2019	2,822,800	3,892,212	231,053	72,005	7,018,070
Additions	907,695	676,331	7,603	3,796	1,595,425
Reduction on early termination	(6,532)	(8,477)	(15,008)	(1,835)	(31,852)
Disposals	(181,650)	-	-	-	(181,650)
Exchange adjustment	80,866	65,541	8,275	121	154,803
	3,623,179	4,625,607	231,923	74,087	8,554,796
Accumulated amortisation					
Initial application of IFRS 16 at 1 January 2019	981,963	297,721	98,893	19,625	1,398,202
Provided during the year	482,428	557,810	60,397	8,191	1,108,826
Reduction on early termination	(1,226)	(2,201)	(14,952)	(1,835)	(20,214)
Disposals	(19,174)	-	-	-	(19,174)
Exchange adjustment	41,732	6,554	4,835	187	53,308
	1,485,723	859,884	149,173	26,168	2,520,948
Carrying value					
At 31 December 2019	**2,137,456**	**3,765,723**	**82,750**	**47,919**	**6,033,848**

Following the election of the Group not to recognize right-of-use assets and lease liabilities for short-term and low-value leases, QR. 374,334 thousand and QR. 2,850 thousand, respectively, were recognized as expenses during the year. Moreover, variable lease payments which were recognized as expenses during 2019 amounted to QR. 4,255 thousand.

15. INVESTMENT PROPERTY

	2019 QR.'000	2018 QR.'000
Cost		
At 1 January	**151,087**	151,087
Transfer from property, plant and equipment	**19,506**	-
At 31 December	**170,593**	151,087
Accumulated depreciation		
At 1 January	**98,285**	90,157
Transfer from property, plant and equipment	**4,790**	-
Provided during the year	**9,511**	8,128
At 31 December	**112,586**	98,285
Carrying value		
At 31 December	**58,007**	52,802

Investment property comprises of the portion of the Group's head quarter building rented to a related party.
There was a valuation exercise performed by an external valuer, and management believe that the fair value investment property is approximately QR. 237,244 thousand (2018: QR. 214,014 thousand), which is higher than the carrying value at reporting dates. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/ other methods. The fair value hierarchy for valuation of investment property is categorized under level 2.
The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to QR. 31,464 thousand (2018: QR. 30,003 thousand).

16. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Group has the following investment in associates and joint ventures:

Associate / Joint Venture companies	Principal activity	Classification	Country of incorporation	Effective ownership 2019	Effective ownership 2018
Navlink, Inc., a Delaware Corporation	Managed Service Provider delivering technology solutions in the enterprise data market	Associate	United States of America	**38%**	38%
Asia Mobile Holdings Pte Ltd ("AMH")	Holding company	Associate	Singapore	**25%**	25%
PT Multi Media Asia Indonesia	Satellite based telecommunication services	Associate	Indonesia	**17%**	17%
MEEZA QSTP LLC	Information technology services	Associate	Qatar	**20%**	20%
PT Citra Bakti, Indonesia	Product certification and testing	Associate	Indonesia	**9%**	9%
Titan Bull Holdings Limited	Holding Company	Associate	Cayman Islands	**18%**	18%
Monetix SPA	Electronic Banking	Associate	Algeria	**19%**	19%
SB ISAT Fund, L.P.	Investment Management	Associate	Cayman Islands	**28%**	28%
PT Palapa Satelit Nusa Sejahtera	Satellite Telecommunication Operator and Services	Associate	Indonesia	**23%**	23%
Mountain Indosat Company Ltd ("MCL")	Business Incubation and Digital Services	Associate	Hong Kong	**29%**	29%
PT Satera Manajemen Persada Indonesia	Telecommunication Services and Equipment Provider	Associate	Indonesia	**32%**	32%
PT Artajasa Pembayaran Elektronis	Electronic payment services	Associate	Indonesia	**26%**	26%
Asia Internet Holding S.a r.l.,	Holding Company	Joint venture	Luxembourg	**50%**	50%
Intaleq Technology Consulting & Services W.L.L	Technical services for Sports venues and events	Joint venture	Qatar	**55%**	55%

16. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (Continued)

The following table is the summarised financial information of the Group's investments in the associates and joint ventures:

	Associates 2019 QR.'000	**Joint ventures 2019 QR.'000**	**Total 2019 QR.'000**	Associates 2018 QR.'000	Joint ventures 2018 QR.'000	Total 2018 QR.'000
Group's share of associates and joint ventures statement of financial position:						
Current assets	**1,041,366**	**44,463**	**1,085,829**	1,070,163	58,993	1,129,156
Non-current assets	**2,957,771**	**51,824**	**3,009,595**	2,897,442	68,918	2,966,360
Current liabilities	**(740,543)**	**(3,366)**	**(743,909)**	(731,827)	(4,460)	(736,287)
Non-current liabilities	**(2,280,708)**	**-**	**(2,280,708)**	(2,178,034)	-	(2,178,034)
Net assets	**977,886**	**92,921**	**1,070,807**	1,057,744	123,451	1,181,195
Goodwill	**901,105**	**-**	**901,105**	965,751	-	965,751
Carrying amount of the investments	**1,878,991**	**92,921**	**1,971,912**	2,023,495	123,451	2,146,946
Group's share of associates' and joint ventures' revenues and results:						
Revenues	**1,686,758**	**34**	**1,686,792**	1,772,158	1,764	1,773,922
Share of results – net of tax	**64,622**	**(7,550)**	**57,072**	231,380	257,357	488,737

16.1. The significant balance of investment in associates relates to Asia Mobile Holdings Pte Ltd. ("AMH") and PT Artajasa Pembayaran Elektronis. During the year, management has performed impairment assessment of AMH based on the indicators and currently available information. The Group has applied value-in-use approach to determine the recoverable amount of the investment in AMH. The Group has used WACC of 5.62% and terminal growth rate of 3.23% in their business model. Management has incorporated their effective share in AMH, based on the estimated unaudited financial information of AMH, in the Group's consolidated financial statements.

16.2. During 2019, the Group recognised an impairment loss allowance of QR. 78,000 thousand on one of its associates.

16.3. During 2018, one of the Group's joint ventures, Asia Internet Holdings S.a.r.l., entered into a Sale and Purchase agreement with a third party for disposal of one of its major subsidiary. The disposal was finalized on 8 May 2018 and has resulted in a gain.

16.4. Based on the investment agreement, the Group had committed to fund Asia Internet Holding (AIH), a joint venture with Rocket Internet. In 2017, the Group has funded QR. 378,838 thousand, however, in 2018 the Group reversed the remaining payable amount of QR. 108,180 thousand committed on the agreement, since the contractual obligation to pay the deferred consideration has been waived.

16.5. During 2018, the Group recognised an impairment loss allowance of QR. 143,928 thousand, impairing the related goodwill, recorded on acquisition of Asia Internet Holding.

16.6. During 2018, one of the Group's associate, Titan Bull Holdings entered into a Sale and Purchase agreement with a third party for disposal of its subsidiary. The disposal was finalized on 8 August 2018 and has resulted in a gain on disposal.

16.7. During 2018, as a result of loss of control of one of its subsidiaries, the Group has accounted for PT Artajasa Pembayaran Elektronis as an investment in associate.

17. FINANCIAL ASSETS – EQUITY INSTRUMENTS

	2019 QR.'000	2018 QR.'000
Investment in equity instrument designated at FVTOCI (i)	**828,789**	855,195
Financial assets measured at FVTPL (i)	**75,651**	92,042
	904,440	947,237

The respective fair value of these investments is disclosed in note 40.

Note:
i) The Group's financial assets comprise of investments in telecommunication related companies, hedge funds, private equity and venture capital funds. The investment in hedge funds is fair valued through statement of profit or loss.

Other investments are fair valued through other comprehensive income. The Group has elected to designate these investments in equity instruments as at FVTOCI as these investments are held for medium to long-term strategic purposes and not held for trading. Further, management believe that recognising short-term fluctuations in these investments' fair value in the consolidated statement of profit or loss would not be consistent with the Group's strategy.

18. OTHER NON-CURRENT ASSETS

	2019 QR.'000	2018 QR.'000
Prepaid rentals	**540**	304,973
Other long term receivables	**633,703**	461,224
Others	**98,000**	92,797
	732,243	858,994

19. INCOME TAX

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2019 and 2018 are:

	2019 QR.'000	2018 QR.'000
Current income tax		
Current income tax charge	**452,051**	490,673
Adjustments in respect of previous years' income tax	**47,925**	233,103
Deferred income tax		
Relating to origination and reversal of temporary differences	**(77,885)**	(238,815)
Income tax included in the consolidated statement of profit or loss	**422,091**	484,961

The Company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiaries is in the range of 10% to 37% (2018: 10% to 36%). For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense allowed in accordance with respective tax laws of subsidiaries.

19. INCOME TAX (Continued)

Income tax represents amounts recognised by subsidiary companies. The major components of income tax expense for the years 2019 and 2018 are:

The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiaries' jurisdiction. In view of the operations of the Group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates. As a result, the reconciliation includes only the identifiable major reconciling items. The Group tax reconciliation is presented as follows:

	2019 QR.'000	2018 QR.'000
Profit before tax	**2,646,103**	2,277,691
Profit of parent and subsidiaries not subject to corporate income tax	**(1,119,738)**	(1,738,481)
Profit of parent and subsidiaries subject to corporate income tax	**1,526,365**	539,210
Add:		
Allowances, accruals and other temporary differences	**(418,455)**	880,629
Expenses and income that are not subject to corporate tax	**822,256**	1,086,893
Depreciation – net of accounting and tax	**463,491**	200,994
Unrealised tax losses brought forward	**(2,045)**	-
Taxable profit of subsidiaries and associates that are subject to corporate income tax	**2,391,612**	2,707,726
Income tax charge at the effective income tax rate of 19% (2018: 18%)	**452,051**	490,673

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2019 QR.'000	2018 QR.'000	2019 QR.'000	2018 QR.'000
Accelerated depreciation for tax purposes	**231,967**	54,497	**50,820**	87,792
Losses available to offset against future taxable income	**231,464**	216,119	**5,839**	241,450
Allowances, accruals and other temporary differences	**173,838**	270,295	**(2,467)**	(113,988)
Deferred tax origination on purchase price allocation	**(318,886)**	(329,279)	**23,693**	23,561
Deferred tax asset / deferred tax income – net	**318,383**	211,632	**77,885**	238,815

Reflected in the consolidated statement of financial position as follows:

	2019 QR.'000	2018 QR.'000
Deferred tax asset	**658,851**	569,892
Deferred tax liability	**(340,468)**	(358,260)
	318,383	211,632

19. INCOME TAX (Continued)

Movement of deferred tax asset – net

	2019 QR.'000	2018 QR.'000
At 1 January	**211,632**	(32,966)
Initial adoption of IFRS 16	**31,742**	-
Initial adoption of IFRS 15	**-**	23,345
Initial adoption of IFRS 9	**-**	2,759
Deferred tax income during the year	**77,885**	238,815
Deferred tax on other comprehensive income (loss)	**1,054**	(18,018)
Exchange adjustment	**(3,930)**	(2,303)
At 31 December	**318,383**	211,632

20. CONTRACT COSTS AND ASSETS

	2019 QR. '000	2018 QR.'000
Current	**345,919**	312,070
Non-Current	**194,971**	151,806
	540,890	463,876

Contract costs and assets primary relates to the Group's right on consideration for goods and services provided but not billed at the reporting date. The Group has determined that contract costs and assets are to be recognised at the performance obligation level and not at the contract level.

21. INVENTORIES

	2019 QR.'000	2018 QR.'000
Subscribers' equipment	**344,535**	429,323
Other equipment	**245,984**	238,876
Cables and transmission equipment	**103,585**	81,131
	694,104	749,330
Less: Provision for obsolete and slow moving inventories	**(136,799)**	(106,269)
	557,305	643,061

Inventories consumed are recognised as expense and included under operating expenses. These amounted to QR. 1,744,093 thousand (2018: QR. 1,890,677 thousand).

Movement in the provision for obsolete and slow moving inventories is as follows:

	2019 QR.'000	2018 QR.'000
At 1 January	**106,269**	108,193
Provided during the year	**38,761**	15,848
Amounts reversed (written off)	**(16,743)**	(15,400)
Exchange adjustment	**8,512**	(2,372)
At 31 December	**136,799**	106,269

22. TRADE AND OTHER RECEIVABLES

	2019 QR.'000	2018 QR.'000
Trade receivables – net of impairment allowances	**3,117,478**	3,128,879
Other receivables and prepayments – net of impairment allowances	**3,654,651**	4,000,871
Unbilled subscribers revenue – net of impairment allowances	**936,294**	518,543
Amounts due from international carriers – net of impairment allowances	**652,184**	584,673
Positive fair value of derivatives contracts	**-**	264
Net prepaid pension costs	**233**	313
	8,360,840	8,233,543

At 31 December 2019, trade receivables amounting to QR. 1,849,915 thousand (2018: QR. 1,688,461 thousand) were impaired and fully provided for.

At 31 December, the ageing of trade receivables – net of impairment allowances is as follows:

	Trade receivables – days past due					
31 December 2019	**< 30 Days QR. '000**	**30-60 Days QR. '000**	**60-90 Days QR. '000**	**90-365 Days QR. '000**	**> 365 Days QR. '000**	**Total QR. '000**
2019	**925,994**	**441,007**	**363,377**	**543,263**	**843,837**	**3,117,478**
2018	1,092,456	321,716	174,670	621,073	918,964	3,128,879

Unimpaired receivables are expected on the basis of past experience to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majorities are therefore, unsecured.

The average credit period on sales of goods and rendering of services varies from 30 to 90 days depending on the type of customer and local market conditions. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of QR. 231,337 thousand (2018: QR. 342,590 thousand) against trade receivables.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables – days past due					
31 December 2019	**< 30 days QR.'000**	**30 – 60 days QR.'000**	**60-90 days QR.'000**	**90-365 QR.'000**	**> 365 days QR.'000**	**Total QR.'000**
Expected credit loss rate	6%	7%	9%	35%	63%	37%
Estimated total gross carrying amount at default	987,453	475,912	398,324	832,435	2,273,269	4,967,393
Lifetime ECL	61,459	34,905	34,947	289,172	1,429,432	1,849,915

22. TRADE AND OTHER RECEIVABLES (Continued)

	Trade receivables – days past due					
31 December 2018	< 30 days QR.'000	30 – 60 days QR.'000	60-90 days QR.'000	90-360 QR.'000	> 365 days QR.'000	Total QR.'000
Expected credit loss rate	3%	17%	25%	34%	57%	35%
Estimated total gross carrying amount at default	1,130,649	385,493	233,180	944,559	2,123,459	4,817,340
Lifetime ECL	38,193	63,777	58,510	323,486	1,204,495	1,688,461

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

	2019 QR.'000	2018 QR.'000
Balance as at 1 January	**1,688,461**	1,502,363
Initial adoption of IFRS 9	**-**	56,831
Allowance for impairment (Note 6)	**231,337**	342,590
Amounts written off	**(103,478)**	(70,015)
Amounts recovered	**(937)**	(39,901)
Foreign exchange gains and losses	**34,532**	(103,407)
Balance as at 31 December	**1,849,915**	1,688,461

23. CASH AND CASH EQUIVALENTS

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

	2019 QR.'000	2018 QR.'000
Bank balances and cash – net of impairment allowance (i),(ii)	**14,716,148**	17,493,273
Bank overdraft	**(292,417)**	(69,388)
	14,423,731	17,423,885
Less:		
Deposits with maturity of more than three months (iii)	**(209,464)**	(99,134)
Restricted deposits (iv)	**(860,386)**	(791,609)
Cash and cash equivalents as per consolidated statement of cash flows at 31 December (v)	**13,353,881**	16,533,142

23. CASH AND CASH EQUIVALENTS (Continued)

(i) Bank balances and cash equivalents include deposits maturing after three months amounting to QR. 3,305,000 thousand (2018: QR. 5,625,000 thousand). The Group is of the opinion that these deposits are readily convertible to cash and are held to meet short-term commitments. The Group recorded QR. 3,268 thousand (2018: 2,386 thousand) provision for impairment.

(ii) Deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest on the respective deposit rates ranging from 1.21% to 12.75% (2018: 0.50% to 12.52%).

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

(iv) On 29 June 2016, Asiacell received a letter from one of its banks notifying that cash in the amount of QR. 173,971 thousand was transferred from current account to restricted cash. This is based on the Communications and Media Commission of Iraq letter dated 4 February 2016. Also in 2016, Asiacell has transferred its cash from its current bank account to restricted account amounting QR. 104,345 thousand. Asiacell is in the process of reaching a settlement agreement with the bank. The remaining balance pertains to certain restricted bank deposits maintained for dividend payments and the restricted cash related to the derivative financial instruments between the Group and a local bank.

(v) Certain cash and cash equivalents are used as collaterals to secure the Group's obligations.

Non-cash transactions

- During the year, the non-cash additions to property, plant and equipment, and intangible assets amounted to QR. 686,731 and QR. 645,764, respectively.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is impairment and have recorded impairment allowance accordingly.

24. SHARE CAPITAL

	2019		2018	
	No of shares (000)	**QR.'000**	No of shares (000)	QR.'000
Authorised				
Ordinary shares of QR. 1* each At 31 December	**5,000,000**	**5,000,000**	5,000,000	5,000,000
Issued and fully paid up Ordinary shares of QR. 1* each				
At 31 December	**3,203,200**	**3,203,200**	3,203,200	3,203,200

* Refer to note 46 for information on share split.

25. RESERVES

a) Legal reserve

In accordance with Qatar Commercial Companies Law No. 11 of 2015 and the Company's Articles of Association, 10% of the profit of the Company for the year should be transferred to the legal reserve until such reserves reach 50% of the issued share capital. During 2008, an amount of QR. 5,494,137 thousand, being the net share premium amount arising out of the rights issue was transferred to legal reserve. During 2012, an amount of QR. 5,940,145 thousand, being the net share premium amount arising out of the rights issue was transferred to legal reserve.

The reserve is not available for distribution except in the circumstances stipulated in the Qatar Commercial Companies Law and the Company's Articles of Association.

25. RESERVES (Continued)

b) Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of financial assets - equity instruments at FVTOCI and effective portion of qualifying cash flow hedges.

	2019 QR.'000	2018 QR.'000
Fair value reserve of financial assets - equity instruments at FVTOCI	**569,644**	593,579
Cash flow hedge reserve	**(18,835)**	12,720
	550,809	606,299

c) Employees' benefit reserve
Employment benefits reserve is created on account of adoption of revised IAS – 19 Employee benefits. Employee benefits reserve comprises actuarial gains (losses) pertaining to defined benefit plans.

d) Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

e) Other statutory reserves
In accordance with the statutory regulations of the various subsidiaries, a share of their respective annual profits should be transferred to a non-distributable statutory reserve.

26. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2019 QR.'000	2018 QR.'000
Items that may be reclassified subsequently to profit or loss *Cash flow hedges*		
Gain arising during the year	**(4,486)**	146
Deferred tax effect	**40**	(4)
	(4,446)	142
Share of changes in fair value of cash flow hedges from associates and joint ventures	**(27,211)**	4,081
Foreign exchange reserve		
Foreign exchange translation differences – foreign operations	**572,849**	(1,712,009)
	572,849	(1,712,009)
Items that will not be reclassified subsequently to profit or loss *Fair value reserve*		
Net changes in fair value on investments in equity instruments designated as at FVTOCI	**(12,616)**	29,723
	(12,616)	29,723
Employees' benefit reserve		
Net movement in employee benefit reserve	**(4,672)**	72,258
Deferred tax effect	**1,014**	(18,014)
	(3,658)	54,244
Other comprehensive income (loss) for the year – net of tax	**524,918**	(1,623,819)

27. DEFERRED INCOME

Deferred income pertains to unearned revenue from services that will be provided in future periods. It primarily includes revenue from the unused and unutilized portion of prepaid cards sold, value of loyalty points not yet redeemed and advance billing to customers. The sale of prepaid cards is deferred until such time as the customer uses the airtime, or the credit expires.

28. LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

	2019 QR.'000	2018 QR.'000
Non-current liabilities		
Secured loan	**143,992**	198,349
Unsecured loan	**6,755,480**	9,068,484
Islamic Finance	**430,516**	335,198
Bonds	**18,143,632**	18,043,377
Less: Deferred financing costs	**(136,677)**	(165,967)
	25,336,943	27,479,441
Current liabilities		
Secured loan	**67,924**	225,597
Unsecured loan	**3,757,035**	5,684,027
Islamic Finance	**259,046**	95,159
Bonds	**1,082,207**	3,246,532
Bank overdraft	**292,416**	69,388
Less: Deferred financing costs	**(48,296)**	(40,783)
	5,410,332	9,279,920
	30,747,275	36,759,361

The deferred financing costs consist of arrangement and other related fees. Movement in deferred financing costs was as follows:

	2019 QR.'000	2018 QR.'000
At 1 January	**206,750**	288,718
Additions during the year	**30,028**	12,949
Amortised during the year (Note 8)	**(52,158)**	(93,385)
Exchange adjustment	**353**	(1,532)
At 31 December	**184,973**	206,750

28. LOANS AND BORROWINGS (Continued)

The loans and borrowings presented in the consolidated statement of financial position consist of the following:

Type	Currency	Nominal Interest / Profit rate	Year of maturity	2019 QR.'000	2018 QR.'000
Bonds	IDR	6.05% to 11.20%	Mar 20 to Mar 29	**3,749,458**	3,628,627
Bonds	USD	3.25% to 7.88%	Feb 21 to Jan 43	**15,476,381**	17,661,282
Islamic Finance	IDR	8.25% to 11.20%	Jun 20 to Mar 29	**689,562**	430,357
Secured Loans	DZD	4.5% to 5.5%	Jun 19 to Sep 19	**-**	177,614
Secured Loans	USD	LIBOR + 3.00% - 5.5%	Jan 20 Nov 23	**211,916**	241,979
Secured Loans	OMR	LIBOR + 2.25%	Jun 19	**-**	4,353
Unsecured Loans	IDR	4.24% to 8.95%	Jan 20 to Feb 24	**1,251,901**	1,285,025
Unsecured Loans	KWD	CBK + 0.60% - 0.65%	May 22 to Nov 22	**432,739**	685,219
Unsecured Loans	MMK	11% to 12.5%	Mar 20 to Dec 20	**177,514**	141,290
Unsecured Loans	TND	TMM Rate + 1.1% to 1.75%	Jun 20 to Dec 22	**342,734**	355,203
Unsecured Loans	USD	LIBOR + 0.88% to 5.69%	Immediate to Dec 26	**8,307,627**	12,285,774
Bank overdraft	DZD	4.5%	Jun 20 to Sep 20	**292,416**	69,388
				30,932,248	36,966,111
Less: Deferred financing costs				**(184,973)**	(206,750)
Total				**30,747,275**	36,759,361

(i) Loans and borrowings are availed for general corporate purposes or specific purposes which include purchase of telecommunication and related equipment, financing working capital requirements and repayment or refinancing of existing borrowing facilities.

(ii) Bonds are listed on London, Irish and Indonesia Stock Exchanges. Certain bonds are unconditionally and irrevocably guaranteed by Ooredoo Q.P.S.C.

(iii) Islamic Finance includes notes issued under Sukuk Trust Programme on the Indonesia Stock Exchange.

29. EMPLOYEES' BENEFITS

	2019 QR.'000	2018 QR.'000
Employees' end of service benefits	**518,782**	476,252
Post-retirement health care plan	**-**	132,458
Long term incentive points-based payments	**222,859**	187,561
Defined benefit pension plan/ Labour Law No. 13/2003	**120,990**	93,493
Other employee benefits	**12,856**	12,391
Total employee benefits	**875,487**	902,155
Current portion of long term incentive points-based payments (Note 31)	**(108,868)**	(76,544)
Employee benefits – non current	**766,619**	825,611

Movement in the provision for employee benefits are as follows:

	2019 QR.'000	2018 QR.'000
At 1 January	**902,155**	1,022,061
Provided during the year	**151,363**	213,291
Paid during the year	**(170,382)**	(236,098)
Other comprehensive income	**(1,014)**	(72,258)
Relating to discontinued operation	**(20,440)**	-
Exchange adjustment	**13,805**	(24,841)
At 31 December	**875,487**	902,155

The carrying amount of the liability arising from long term incentive points-based payments is determined by the achievement of certain performance targets and share price of the Company. As at the reporting date, the carrying amount of liability arising from long term incentive points-based payments approximates its fair value.

The details of the benefit plans operated by one of the Group's subsidiaries are as follows:

Plan A - Post-retirement healthcare plan
One of the subsidiaries, Indosat Ooredoo provides post-retirement healthcare benefits to its employees who leave after the employees fulfill the early retirement requirement. The immediate family of employees who have been officially registered in the records of the company are also eligible to receive benefits. During the year, the post-retirement healthcare plan was terminated.

Plan B - Defined Benefit Pension Plan - Labour Law No. 13/2003
Indosat Ooredoo, Lintasarta and IMM also accrue benefits under Indonesian Labor Law No. 13/2003 ("Labor Law") dated 25 March 2003. Their employees will receive the benefits under this law or the defined benefit pension plan, whichever amount is higher.

Plan C - Defined Benefit Pension Plan
The subsidiaries, Indosat Ooredoo, Satelindo and Lintasarta provide defined benefit pension plans to their respective employees under which pension benefits to be paid upon retirement. A state-owned life insurance company, PT Asuransi Jiwasraya ("Jiwasraya") manages the plans. Pension contributions are determined by periodic actuarial calculations performed by Jiwasraya.

Based on the agreement, a participating employee will receive:
- Expiration benefit equivalent to the cash value at the normal retirement age, or
- Death benefit not due to accident equivalent to 100% of insurance money plus cash value when the employee dies not due to accident, or
- Death benefit due to accident equivalent to 200% of insurance money plus cash value when the employee dies due to accident.

29. EMPLOYEES' BENEFITS (Continued)

Actuarial assumptions

The actuarial valuations were prepared by an independent actuary, using the projected-unit-credit method, the following were the principal actuarial assumptions at the reporting date.

	2019			2018		
	Plan A	**Plan B**	**Plan C**	Plan A	Plan B	Plan C
Annual discount rate	**8.5%**	**7.5%-8.0%**	**8.0-8.5%**	8.5%	8.25% - 8.5%	8.0% -8.5%
Ultimate cost trend rate	**6.0%**	**-**	**-**	6.0%	-	-
Next year trend rate	**10.0%**	**-**	**-**	10.0%	-	-
Period to reach ultimate cost trend rate	**8 years**	**-**	**-**	8 years	-	-
Increase in compensation	**-**	**6.5%**	**3.0%-9.0%**	-	6.5%	3.0% - 9.0%
Mortality rate	**-**	**-**	**TMI 2011**	-	-	TMI 2011

Movement in net defined benefit (asset) / liability

The following table shows the reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components.

	2019			2018		
	Plan A QR.'000	**Plan B QR.'000**	**Plan C QR.'000**	Plan A QR.'000	Plan B QR.'000	Plan C QR.'000
At 1 January	**136,522**	**96,153**	**(10,835)**	201,714	122,562	(14,070)
Included in profit or loss						
Interest cost	**3,073**	**8,283**	**(4,638)**	13,882	7,207	(5,008)
Service cost	**2,137**	**10,381**	**5,063**	6,052	11,870	5,876
Curtailment gain	**(60,256)**	**-**	**-**	(10,488)	-	-
Immediate recognition of past service cost – vested benefit	**-**	**2,731**	**-**	-	(10,449)	72
Cost of employee transfer	**-**	**-**	**-**	-	46,170	-
	(55,046)	**21,395**	**425**	9,446	54,798	940
Included in other comprehensive income						
Other comprehensive income	**(2,256)**	**6,113**	**815**	(55,578)	(18,820)	2,140
Other movements						
Contribution	**-**	**-**	**(126)**	-	-	(179)
Benefit payment	**(82,303)**	**(2,387)**	**-**	(7,128)	(54,125)	-
Refund	**-**	**-**	**276**	-	-	726
Exchange adjustment	**3,083**	**4,050**	**(767)**	(11,932)	(8,262)	(392)
	(79,220)	**1,663**	**(617)**	(19,060)	(62,387)	155
At 31 December	**-**	**125,324**	**(10,212)**	136,522	96,153	(10,835)
Current portion	**-**	**4,334**	**(233)**	4,064	2,660	(313)
Non-current portion	**-**	**120,990**	**(9,979)**	132,458	93,493	(10,522)

29. EMPLOYEES' BENEFITS (Continued)

Plan assets comprises of time deposits, debt securities, long-term investment in shares of stock and property as follows:

	2019	2018
Investments in:		
Shares of stocks and properties	**29.53%**	29.53%
Mutual fund	**46.94%**	46.94%
Time deposits	**10.38%**	10.38%
Debt securities	**11.87%**	11.87%
Others	**1.28%**	1.28%

The plan asset has diverse investments and does not have any concentration risk.

Sensitivity analysis on defined benefit obligation

Quantitative sensitivity analysis for each 1% change in the following significant assumptions as of 31 December 2019 are as follows:

	Impact of change in assumptions to defined benefit obligation	
	Increase	**Decrease**
Pension benefit cost		
Discount rate	Decrease by 4.65% - 8.60%	Increase by 5.03% - 9.84%
Obligation under Labor Law		
Discount rate	Decrease by 8.25% - 11.35%	Increase by 9.49% - 13.26%

30. OTHER NON-CURRENT LIABILITIES

	2019 QR.'000	2018 QR.'000
License cost payables (i)	**1,587,053**	1,070,994
Site restoration provision	**86,968**	86,013
Finance lease liabilities (Note 32)	**-**	709,569
Deferred gain on finance leases	**58,734**	91,973
Others	**925,638**	238,956
	2,658,393	2,197,505

(i) This represents amounts payable to Telecom regulators in Indonesia, Palestine and Myanmar for license charges.

31. TRADE AND OTHER PAYABLES

	2019 QR.'000	2018 QR.'000
Trade payables	**2,727,934**	3,456,452
Accrued expenses	**8,410,414**	6,827,135
Interest payable	**315,986**	375,234
Profit payable on Islamic financing obligation	**7,245**	3,067
License costs payable	**355,101**	414,028
Amounts due to international carriers - net	**489,513**	470,024
Negative fair value of derivatives	**98,760**	83,273
Finance lease liabilities (Note 32)	**-**	177,969
Long term incentive points-based payments (Note 29)	**108,868**	76,544
Other payables	**1,261,153**	1,446,625
	13,774,974	13,330,351

32. LEASE LIABILITIES

	2019 QR.'000	2018 QR.'000
Initial application of IFRS 16 at 1 January 2019	**4,709,986**	-
Reclassification of finance lease liabilities	**887,538**	-
Additions during the year	**2,014,735**	-
Interest expense on lease liability	**451,996**	-
Principal element of lease payments	**(1,265,585)**	-
Payment of interest portion of lease liability	**(171,325)**	-
Reduction on early termination	**(11,757)**	-
Exchange adjustments	**33,715**	-
	6,649,303	-

	2019 QR.'000	2018 QR.'000
Non-current portion	**5,692,809**	-
Current portion	**956,494**	-
	6,649,303	-

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Group's treasury function.

	31 December 2019 QR.'000	31 December 2018 QR.'000
Maturity analysis		-
Not later than 1 year	**1,429,929**	-
Later than 1 year and not later than 5 years	**4,219,386**	-
Later than 5 years	**3,394,521**	-
Less: unearned finance income	**(2,394,533)**	-
	6,649,303	-

33. CONTRACT LIABILITIES

	2019 QR.'000	2018 QR.'000
Current	**117,768**	145,132
Non-current	**11,481**	14,121
	129,249	159,253

(i) A contract liability mainly arises in respect of the Group's customer loyalty points scheme ("loyalty points"). As these loyalty points provide a benefit to customers that they would not receive without entering into a purchase contract, the promise to provide loyalty points to the customer is a separate performance obligation. The revenue related to unsatisfied or partially satisfied performance obligations is expected to be realized within two years of the reporting date.

34. DIVIDEND

Dividend paid and proposed

	2019 QR.'000	2018 QR.'000
Declared, accrued and paid during the year Final dividend for 2018, QR. 2.5 per share (2017: QR. 3.5 per share)	**800,800**	1,121,120
Proposed for approval at Annual General Meeting (Not recognised as a liability as at 31 December) Final dividend for 2019, QR. 0.25 per share (2018: QR. 2.5 per share)*	**800,800**	800,800

The proposed final dividend will be submitted for formal approval at the Annual General Meeting.

*Refer to note 46 for information on share split.

35. DERIVATIVE FINANCIAL INSTUMENTS

Derivatives not designated as hedging instruments

The Group uses cross currency swap contracts, currency forward contracts and interest rate swaps to manage some of the currency transaction exposure and interest rate exposure. These contracts are not designated as cash flow, fair value or net investment hedges and are accounted for as derivative financial instruments:

	Notional amounts	
	2019 QR.'000	2018 QR.'000
Cross currency swaps	**72,830**	-
Currency forward contracts	**145,660**	1,636,613
Interest rate swaps	**436,980**	16,095
Fair value derivatives	**304,931**	304,856
	960,401	1,957,564

	Fair values			
	2019		2018	
	Positive QR.'000	Negative QR.'000	Positive QR.'000	Negative QR.'000
Cross currency swaps	**-**	**339**	-	-
Currency forward contracts	**-**	**6,077**	-	9,278
Interest rate swaps	**-**	**4,222**	-	223
Fair value derivatives	**-**	**88,122**	-	73,772
	-	**98,760**	-	83,273

At 31 December 2019, the Group has several interest rates swap entered into with a view to limit its floating interest rate term loans and currency forward contract that effectively limits change in exchange rate for a future transaction.

35. DERIVATIVE FINANCIAL INSTUMENTS (Continued)

The table below shows the positive and negative fair values of derivative financial instruments held as cash flow hedges together with the notional amounts:

	Negative fair value QR.'000	Positive fair value QR.'000	Notional Amounts QR.'000
31 December 2019			
Interest rate swaps	-	-	-
	-	-	-
31 December 2018			
Interest rate swaps	-	264	104,180
	-	264	104,180

36. OPERATING LEASE ARRANGEMENTS

At the date of statement of financial position, the Company has outstanding commitments under non-cancelable operating leases, which fall due as follows:

	2019 QR.'000	2018 QR.'000
Future minimum lease payments:		
Not later than one year	**91,776**	509,463
Later than one year and not later than five years	**3,922**	1,884,916
Later than five years	**-**	1,584,387
Total operating lease commitment contracted for at 31 December	**95,698**	3,978,766

Upon adoption of IFRS 16, certain operating lease commitments were identified and considered. The above commitments were adjusted accordingly in the calculation of operating lease commitments.

37. COMMITMENTS

Capital expenditure commitments not provided for

	2019 QR.'000	2018 QR.'000
Estimated capital expenditure contracted for at the end of the financial reporting year but not provided for:	**3,203,745**	2,818,880
Letters of credit	**185,014**	232,735

38. CONTINGENT LIABILITIES

	2019 QR.'000	2018 QR.'000
Letters of guarantees	**827,153**	570,176
Claims against the Group not acknowledged as debts	**22,242**	6,899

Litigation and claims

The Group is from time to time a party to various legal actions and claims arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions and claims will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations, except as noted below.

(a) Proceedings against PT Indosat Mega Media relating to misuse of radio frequencies

In early 2012, the Attorney General's Office in Jakarta (the "AGO") initiated corruption proceedings against PT Indosat Mega Media ("IM2"), a 99 per cent owned subsidiary of PT Indosat Tbk., a subsidiary of the Group, for unlawful use of a radio frequency band allocation that had been granted to Indosat. On 8 July 2013, the Indonesia Corruption Court imposed a fine against IM2 in a related case against the former President Director of IM2. Both the former President Director of IM2 and the AGO lodged appeals to the Jakarta High Court. A written decision of the Supreme Court was received in January 2015 which confirmed that the Supreme Court had upheld the former President Director of IM2 prison sentence of eight years and that the fine against IM2 of approximately USD 130 million had been reinstated.

On 16 March 2015, the former President Director of IM2 submission of judicial review was officially registered at the Corruption Court. Since the Criminal Case Verdict and the Administrative Case Verdict were contradictory, BPKP (State Audit Bureau) filed on 16 March, 2015 a Judicial Review on the Administrative Case in order to annul the previous Administrative Case Verdict. Due to the BPKP's Judicial Review, on 13 October, 2015 the Supreme Court has issued a verdict (on Administrative Case) which stated that the BPKP audit report held by BPKP is valid. On the Supreme Court's official website, the Supreme Court on 4 November, 2015 issued a verdict (on Criminal Case) that rejected the Judicial Review submitted by the former President Director of IM2. PT Indosat Tbk. is preparing a second judicial review for the Criminal Case.

On 28 March 2016, the former President Director of IM2 and IM2 filed a tort lawsuit of unlawful act against Ministry of Communication and IT (MOCIT) and BPKP at the Central Jakarta District Court. On 22 November 2016, the Central Jakarta District Court dismissed the lawsuit. On 15 August 2017, an appeal was lodged with the Jakarta High Court on which gave a ruling against MOCIT and BPKP, as stated on its official website. Further, MOCIT and BPKP filed an appeal to the Supreme Court against the ruling. On 24 July, 2018, the Supreme Court rejected MOCIT and BPKP's cassation request.

On 26 June 2019, BPKP submitted Judicial Review request against Cassation decision. Indosat's contra memorandum of Judicial Review was submitted on 31 July 2019 and former President Director of IM2 and IM2's contra memorandum of Judicial Review was submitted on 18 September 2019.

Supreme Court's decision on Judicial Review submission by BPKP is not issued yet.

The Group has provided adequate provision for this case.

(b) Tax demand notices against Asiacell

As at the reporting date, one of the Group's subsidiaries, Asiacell Communication PJSC ("ACL") was subject to tax demand notice by the General Commission for Taxes, Iraq (the "GCT") for the years from 2004 to 2007 for an amount of QR. 249.0 million, 2008 amounting to QR. 143 million, 2009-2010 amounting to QR. 248 million, 2011-2012 amounting to QR. 219 million, 2013-2014 amounting to QR. 287 million, 2015-2016 amounting to QR. 185 million and 2017 amounting to QR. 109 million. Asiacell raised an objection against each of these claims. The Group has set up adequate provision against these claims and management is of the view that Asiacell has strong grounds to challenge each of these claims.

38. CONTINGENT LIABILITIES (Continued)

Litigation and claims (Continued)

(c) Proceedings against Asiacell relating to regulatory fee

On 10 June 2014, the Communications and Media Commission (CMC) issued a letter notifying the Company that the structure of the Company in relation to ownership of the shares in its capital does not fulfill the License requirements as an Iraqi Company to pay 15% of its gross revenue as a regulatory fee, as per license agreement.

Consequently the CMC requested the Company to pay a regulatory fee of 18% of gross revenues instead of 15%. The amount requested by CMC was QR. 276 million (USD 76 million) from the period that the CMC is claiming that the Iraqi ownership had changed until the end of first half of 2013. The Company has made an appeal against this claim. On 11 November 2014, the CMC issued a letter notifying the Company that they revised the claim relating to the additional 3% and that the total new amount from June 2012 to 30 June 2014 should be equal to QR. 370.7 million (USD 101.8 million). The Company has a full provision against this claim amounting to QR. 675.9 million (USD 185.6 million). In January 2016, the Erbil Court of Cassation has issued a final decision in favor of the company.

On 4 February 2016, the CMC sent a letter for restricted use of certain bank accounts of Asiacell, for CMC's benefit. This is against a disputed amount for which the company already has a court decision in their favor.

In July 2014, Asiacell disputed the CMC's decision and appealed it to the CMC Appeal Board and subsequently to the Iraqi courts on the basis that Asiacell is entitled to benefit from the 3% discount in the regulatory fee as it's an Iraqi Company with a majority Iraqi Shareholder. The dispute progressed from the Court of First Instance to the Kurdistan Court of Cassation, which, on 27 January 2016, ruled in favor of Asiacell and concluded that the CMC is not entitled to apply the 18% license fee to Asiacell as it is an Iraqi company with Iraqis owning more than 84% of its shares. Asiacell implemented the court decision at the Karadda Execution Office in Baghdad.

In June 2017, the Iraqi Ministry of Finance raised a "third party objection" case at Erbil Court against its own decision. On 9 August 2017, the Court dismissed the objection and confirmed its past decision. After an appeal, the Cassation Court, on 17 October 2017, ruled against the Ministry of Finance and confirmed the decision in favor of Asiacell.

The Company has a full provision, as at 31 December 2019, against this claim.

(d) Proceedings against Asiacell relating to frequency spectrum fee

On 7 December 2017, the Communication and Media Commission (CMC) issued a letter notifying Asiacell and other MNOs letters asking them to hold 1.5% of their 2017 Revenues (excluding local interconnection cost) as a Universal Service Fee (USF). The CMC will provide further information in the USF regulation that will be issued soon. USF is a license obligation included in Asiacell's License.

The 2017 – 2019 USF cost, calculated at 1.5% of Asiacell's revenue, was QR 197.3 million (USD 49.1 million) The Company has a full provision, as at 31 December 2019, against this claim.

On 19 July 2018, Asiacell received the 2nd letter asking it to provision the 1.5% USF from the end of the 2nd anniversary of the license term (2009) and inform CMC of the provisioned amount within 14 days from receiving the letter. The cost of this decision is around QR 691 million (USD 190 million).

No provision has been made for the retroactive claim as of 31 December 2019 as the Company has strong grounds to challenge this retrospective USF claims.

(e) Tax demand notices against Indosat Ooredoo

As at the reporting date, one of the Group's subsidiaries, Indosat Ooredoo was subject to tax demand assessments by the Indonesia Tax Authority for the Value Added Tax (VAT) claims from years 2009 to 2019 for an amount of QR. 227.0 million, Corporate tax claims from years 2007 to 2016 amounting to QR. 369 million and Withholding tax from years 2012-2016 amounting to QR. 369 million. The Group has set up adequate provision against these claims and management is of the view that Indosat Ooredoo has strong grounds to challenge each of these claims.

(f) Preliminary tax notification issued on Wataniya Telecom Algeria

In July 2017, the tax authorities started a tax audit covering the period from 2013 to 2016. On 24 December 2018, a final notification for the year 2013 was received by Ooredoo Algeria for QR. 72 million and a final tax notification for the years 2014 to 2016 for an amount QR. 46 million.

The Group has set up adequate provision against these claims and management is of the view that Ooredoo Algeria has strong grounds to challenge each of these claims.

38. CONTINGENT LIABILITIES (Continued)

Litigation and claims (Continued)

(g) Tax notification issued to Ooredoo Tunisie

Ooredoo Tunisie received a preliminary tax notification covering the period from 2013-2019. The total amount claimed by Tax Authority is QR. 150 million.

The Group has set up adequate provision against these claims and management is of the view that Ooredoo Tunisia has submitted an objection to the Tax Authority and has strong grounds to challenge each of these claims

(h) Proceeding against Ooredoo Palestine

On 23 October 2017, The Regulator issued a letter notifying Ooredoo Palestine to pay the second payment of the license acquisition fee of amounting QR 291 million (USD 80 million) due to the fact that Ooredoo Palestine reached 700 thousand subscribers. The license sets up a third license payment of QR. 488 million (USD 134 million) when Ooredoo Palestine reaches 1 million subscribers.

In September 2019, the Minister of Finance and Minister of MTIT issued a letter notifying Ooredoo Palestine to pay QR. 779 million (USD 214 million) which is the remaining unpaid second and third payment of license fee. These second and third payments are subject to the assignment of the 2G and 3G spectrum and the actual launch of these services in West Bank and Gaza.

The Group has set up adequate provision against these claims and management is of the view that Ooredoo Palestine has strong grounds to challenge these claims.

39. FINANCIAL RISK MANAGEMENT

Objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, finance leases, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, investments and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps, cross currency swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk and operational risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk

The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, loans receivable, available-for-sale debt instruments, loans payables and borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates and fixed interest instruments maturing within three months from the end of the financial reporting year.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional amount. The swaps are designated to hedge underlying debt obligations. At 31 December 2019, after taking into the effect of interest rate swaps, approximately 68% of the Group's borrowings are at a fixed rate of interest (2018: 60%).

The following table demonstrates the sensitivity of the consolidated statement of profit or loss and equity to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss and equity is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

39. FINANCIAL RISK MANAGEMENT (Continued)

	Effect on Consolidated statement of profit or loss +25bp QR.'000	Effect on Consolidated statement of changes in equity +25 bp QR.'000
At 31 December 2019		
USD LIBOR	**(19,864)**	-
Others	**(5,231)**	-
At 31 December 2018		
USD LIBOR	(30,963)	260
Others	(6,377)	-

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investment in foreign subsidiaries.

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

	2019 QR.'000 Assets (Liabilities)	2018 QR.'000 Assets (Liabilities)
Indonesian Rupiah (IDR)	**5,429,219**	5,004,099
Kuwaiti Dinar (KD)	**16,391,058**	16,412,642
US Dollars (USD)	**(2,229,049)**	(2,772,382)
Euro (EUR)	**202,093**	138,886
Great British Pounds (GBP)	**(668)**	(1,203)
Tunisian Dinar (TND)	**3,259,695**	3,045,083
Algerian Dinar (DZD)	**1,815,222**	1,950,716
Iraqi Dinar (IQD)	**950,924**	2,596,834
Myanmar Kyat (MMK)	**1,540,213**	2,483,561
Maldivian Rufiyaa (MVR)	**265,849**	240,335
Singapore Dollar (SGD)	**1,389,182**	1,505,338
United Arab Emirates Dirham (AED)	**872,526**	978,514
Others	**1,904**	3,217

39. FINANCIAL RISK MANAGEMENT (Continued)

The following table demonstrates the sensitivity to consolidated statement of profit or loss and equity for a reasonably possible change in the following currencies against Qatari Riyal, with all other variables held constant, of the Group's profit due to changes in the fair value of monetary assets and liabilities and the Group's equity on account of translation of foreign subsidiaries.

The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown:

	Effect on consolidated statement of profit or loss		Effect on consolidated statement of changes in equity	
	2019 + 10% QR.'000	2018 + 10% QR.'000	**2019 + 10% QR.'000**	2018 + 10% QR.'000
Indonesian Rupiah (IDR)	**-**	-	**542,922**	500,410
Kuwaiti Dinar (KD)	**2,457**	(2)	**1,636,649**	1,641,266
US Dollars (USD)	**(262,988)**	(317,089)	**40,083**	39,851
Euro (EUR)	**10,972**	1,599	**9,237**	12,290
Great British Pounds (GBP)	**(67)**	(120)	**-**	-
Tunisian Dinar (TND)	**-**	-	**325,970**	304,508
Algerian Dinar (DZD)	**978**	-	**180,544**	195,072
Iraqi Dinar (IQD)	**8,172**	23,927	**86,920**	235,757
Myanmar Kyat (MMK)	**7,213**	-	**146,809**	248,356
Maldivian Rufiyaa (MVR)	**-**	-	**26,585**	24,034
Singapore Dollar (SGD)	**-**	(1)	**138,918**	150,535
United Arab Emirates Dirham (AED)	**-**	-	**87,253**	97,851

Equity price risk
The following table demonstrates the sensitivity of the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Changes in equity indices	Effect on consolidated statement of changes in equity
		QR.'000
2019		
Indonesia Stock Exchange (IDX)	**10%**	**136**
2018		
Abu Dhabi Stock Exchange (ADX)	10%	6
Indonesia Stock Exchange (IDX)	10%	332

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of trade receivables, bank balances, financial assets at FVTOCI, financial assets at FVTPL and loans receivable and positive fair value of derivatives.

39. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (continued)

The Group provides telecommunication services to various customers. It is the Group's policy that all customers who obtain the goods and / or services on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the purchase of service limits are established for each customer, which are reviewed regularly based on the level of past transactions and settlement. The Group's maximum exposure with regard to the trade receivables net of allowance for impairment as at 31 December is as follows:

	2019 QR.'000	2018 QR.'000
Qatar	**1,729,509**	1,406,640
Other countries	**1,387,969**	1,722,239
	3,117,478	3,128,879

With respect to credit risk arising from the other financial assets, the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2019 QR.'000	2018 QR.'000
Bank balances (excluding cash)	**14,495,099**	17,275,955
Positive fair value of derivatives	**-**	264
	14,495,099	17,276,219

The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks, and 41% (2018: 56%) of bank balances represents balances maintained with local banks in Qatar with a rating of at least BBB+. Credit risk arising from derivative financial instruments is at any time, limited to those with positive fair values, as recorded on the consolidated statement of financial position. With gross settled derivatives, the Group is also exposed to settlement risk.

	2019 QR.'000	2018 QR.'000
Amounts due from international carriers	**652,184**	584,673
Unbilled subscriber revenue	**936,294**	518,543
	1,588,478	1,103,216

The exposure of credit risk from amounts due from international carriers is minimal as the amounts are driven by contractual arrangements. For unbilled revenues, this is automatically billed based on the customers billing cycle and thus have a very minimal credit risk.

Credit risk measurement

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30-90 days, depending on the type of customer and local market conditions, past due in making a contractual payment.

39. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2019, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. Considering the Group's large and unrelated customer base, the concentration of credit risk is limited.

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

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

31 December 2019	**External credit rating**	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount QR.'000**	**Loss allowance QR.'000**	**Net carrying amount QR.'000**
Cash and bank balances	Caa1 – Aa1	N/A	12-month ECL	14,721,596	(5,448)	14,716,148
Trade receivables (i)	N/A	Note (i)	Lifetime ECL (simplified approach)	4,967,393	(1,849,915)	3,117,478

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 22 includes further details on the loss allowance for these assets respectively.

The carrying amount of the Group's financial assets at FVTPL and FVTOCI, as disclosed in note 17, best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

39. FINANCIAL RISK MANAGEMENT (Continued)

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:

	On demand QR.'000	Less than 1 year QR.'000	1 to 2 years QR.'000	2 to 5 years QR.'000	> 5 years QR.'000	Total QR.'000
At 31 December 2019						
Loans and borrowings	292,417	6,526,863	5,651,562	13,548,591	11,636,159	37,655,592
Trade payables	-	2,727,934	-	-	-	2,727,934
License costs payable	-	408,618	299,281	897,841	1,231,864	2,837,604
Lease liabilities	-	1,429,929	1,730,768	2,488,618	3,394,522	9,043,837
Other financial liabilities	-	697,141	200,959	-	-	898,100
	292,417	11,790,485	7,882,570	16,935,050	16,262,545	53,163,067

	On demand QR.'000	Less than 1 year QR.'000	1 to 2 years QR.'000	2 to 5 years QR.'000	> 5 years QR.'000	Total QR.'000
At 31 December 2018						
Loans and borrowings	69,388	10,868,409	5,364,455	16,390,244	12,052,723	44,745,219
Trade payables	-	3,456,452	-	-	-	3,456,452
License costs payable	-	443,125	426,036	468,683	706,954	2,044,798
Finance lease liabilities	-	253,601	230,982	491,450	156,775	1,132,808
Other financial liabilities	-	629,841	197,030	-	-	826,871
	69,388	15,651,428	6,218,503	17,350,377	12,916,452	52,206,148

39. FINANCIAL RISK MANAGEMENT (Continued)

Capital management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2019 and 31 December 2018.

Equity includes all capital and reserves of the Group that amounted to QR. 29,104,986 thousand at 31 December 2019 (2018: QR. 28,177,687 thousand).

The Group's management reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio as at 31 December 2019 is 78% (2018: 68%).

Gearing ratio
The gearing ratio at year end was as follows:

	2019 QR.'000	2018 QR.'000
Debt (i)	37,396,578	36,759,361
Cash and bank balances	(14,716,148)	(17,493,273)
Net debt	22,680,430	19,266,088
Equity (ii)	29,104,986	28,177,687
Net debt to equity ratio	78%	68%

(i) Debt is the long term debt obtained and lease liabilities, as detailed in note 28 and 32, respectively.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

40. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values
Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amounts		Fair values	
	2019 QR.'000	2018 QR.'000	2019 QR.'000	2018 QR.'000
Financial assets				
Financial assets – equity instruments	904,440	947,237	904,440	947,237
Trade and other receivables	4,705,956	4,232,359	4,705,956	4,232,359
Bank balances and cash	14,716,148	17,493,273	14,716,148	17,493,273
Financial liabilities				
Loans and borrowings	30,747,275	36,759,361	31,942,380	36,825,982
Other non-current liabilities	1,587,053	1,070,994	1,587,053	1,070,994
Lease liabilities	6,649,303	-	6,649,303	-
Derivative financial instruments	98,760	83,273	98,760	83,273
Long term incentive points-based payments	222,859	187,561	222,859	187,561
Trade and other payables	5,156,932	6,165,430	5,156,932	6,165,430

40. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair values.

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. At the end of the reporting period, the carrying amounts of such receivables, net of allowances, approximate their fair values.
- Fair value of quoted investments is based on price quotations at the end of the reporting period. The fair value of loans from banks and other financial debts, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates applicable for similar risks and maturity profiles. Fair values of unquoted financial assets are estimated using appropriate valuation techniques.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward, contracts for differences and currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot and forward rates and interest rate curves.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.
Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at 31 December 2019 and 31 December 2018:

	31 December 2019 QR.'000	Level 1 QR.'000	Level 2 QR.'000	Level 3 QR.'000
Assets:				
Financial assets measured at fair value:				
FVTOCI	828,789	-	210,487	618,302
FVTPL	75,651	1,362	74,286	3
Other assets for which fair value is disclosed				
Trade and other receivables	4,705,956	-	-	4,705,956
Bank balances and cash	14,716,148	-	-	14,716,148
	20,326,544	1,362	284,773	20,040,409
Liabilities:				
Other financial liabilities measured at fair value				
Derivative financial instruments	98,760	-	98,760	-
Long term incentive points-based payments	222,859	-	222,859	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	31,942,380	21,071,722	10,870,658	
Other non-current liabilities	1,587,053		-	1,587,053
Lease liabilities	6,649,303	-	-	6,649,303
Trade and other payables	5,156,932	-	-	5,156,932
	45,657,287	21,071,722	11,192,277	13,393,288

40. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

	31 December 2018 QR.'000	Level 1 QR.'000	Level 2 QR.'000	Level 3 QR.'000
Assets:				
Financial assets measured at fair value:				
FVTOCI	855,195	-	236,894	618,301
FVTPL	92,042	3,377	88,662	3
Derivative financial instruments	264	-	264	-
Other assets for which fair value is disclosed				
Trade and other receivables	4,232,095	-	-	4,232,095
Bank balances and cash	17,493,273	-	-	17,493,273
	22,672,869	3,377	325,820	22,343,672
Liabilities:				
Other financial liabilities measured at fair Value				
Derivative financial instruments	83,273	-	83,273	-
Long term incentive points-based payments	187,561	-	187,561	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	36,825,982	21,693,684	15,132,298	-
Other non-current liabilities	1,070,994			1,070,994
Trade and other payables	6,165,430	-	-	6,165,430
	44,333,240	21,693,684	15,403,132	7,236,424

41. RELATED PARTY DISCLOSURES

Related party transactions and balances
Related parties represent associated companies including Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business, the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with the Qatar Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

a) Transactions with Government and related entities
As stated in Note 1, Qatar Holding L.L.C. is the Parent Company of the Group, which is controlled by Qatar Investment Authority. The Group enters into commercial transactions with the Government and other Government related entities in the ordinary course of business, which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are at arm's length and in the normal course of business. Following are the significant balances and transactions between the Company and the Government and other Government related entities.

i) Trade receivables include an amount of QR. 772,653 thousand (2018: QR. 429,015 thousand) receivable from Government and Government related entities.
ii) The most significant amount of revenue from a Government related entity was earned from a contract with the Ministry of Foreign Affairs, amounting to QR. 81,531 thousand (2018: QR. 37,031 thousand).
iii) Industry fee (Note 10) pertains to the industry fee payable to CRA, a Government related entity.

In accordance with IAS 24 Related Party Disclosures, the Group has elected not to disclose transactions with the Qatar Government and other entities over which the Qatar Government exerts control, joint control or significant influence. The nature of transactions that the Group has with such related parties relates to provision of telecommunication services.

41. RELATED PARTY DISCLOSURE (Continued)

b) Transactions with Directors and other key management personnel
Key management personnel comprise the Board of Directors and key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

Director's remuneration including committee fees of QR. 19,909 thousand was proposed for the year ended 31 December 2019 (2018: QR. 23,884 thousand). The compensation and benefits related to Board of Directors and key management personnel amounted to QR. 411,610 thousand for the year ended 31 December 2019 (2018: QR. 416,519 thousand), and end of service benefits QR. 25,289 thousand for the year ended 31 December 2019 (2018: QR. 14,759 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Classification of associates, joint ventures and subsidiaries
The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgment as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de facto control.

Recognition revenue
Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:
a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Capitalisation of costs
Management determines whether the Group will recognise an asset from the costs incurred to fulfil a contract and costs incurred to obtain a contract if the costs meet all the following criteria:
a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
b) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
c) the costs are expected to be recovered.
Such asset will be amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Variable consideration
Management determines the impact of discounts, promotions, long-term contracts and any other constraint on its recognition of revenue to estimate variable consideration.

Credit risk measurement
The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Credit quality assessments
The Group has mapped its internal credit rating scale to Moody's rating scale as at 31 December 2019.

Contract variations
Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customers in making their judgment.

42. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Contract claims
Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgment related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Judgements in determining the timing of satisfaction of performance obligations
Per note 4, the Group generally recognise revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receives and consumes the benefits provided by these services and the control transfer takes place over time, revenue is also recognised based on the extent of service transfer/ completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:
- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

In making their judgment, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

Principal versus agent
Significant judgments are made by management when concluding whether the Group is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Group. The assessment requires an analysis of key indicators, specifically whether the Group:
- carries any inventory risk;
- has the primary responsibility for providing the goods or services to the customer;
- has the latitude to establish pricing; and
- bears the customer's credit risk.

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

Judgment in identifying whether a contract includes a lease (Upon adoption of IFRS 16, applicable from 1 January 2019)
Management has assessed for each contract the Group has entered into whether the Group has obtained the right to substantially all of the economic benefits and as a result management has concluded if each contract contains a lease or not.

Determining the lease term (Upon adoption of IFRS 16, applicable from 1 January 2019)
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension and termination options are included in several leases across various classes of right-of-use assets across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease.

Estimates
The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist.

42. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Impairment of non-financial assets (continued)

The factors that the Group considers important which could trigger an impairment review include the following:

- significant or prolonged decline in the fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

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

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditures;
- long term growth rates ranges during discrete period and terminal period; and
- the selection of discount rates reflects the risks involved.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Refer note 16 for the impairment assessment for investment in an associate.

In the case of goodwill and intangible assets with indefinite lives, at a minimum, such assets are subject to an annual impairment test and more frequently whenever there is an indication that such asset may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows (Note 13).

Useful lives of property, plant and equipment and investment property

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

Classification of investment property

When determining whether property, plant and equipment should be classified as investment property, the Group assesses whether the property is held to earn rentals for capital appreciation or both. The Group follows the guidance of IAS 40 on classifying its investment property. If the property meets the definition, the Group assesses the suitable basis for allocation for the ratio of leased out area in proportion to the total area of the property, either on the basis of floors or square meter area rented out.

Useful lives of intangible assets

The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined based on the expected pattern of consumption of future economic benefits embodied in the asset.

Provision and contingent liabilities

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

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

42. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Derecognition of financial liability

The Group's management applies judgment to derecognise a financial liability when situations may arise where a liability is considered unlikely to result in an outflow of economic resources. This is determined when the obligation specified in the contract or otherwise is discharged or cancelled or expires.

Decommissioning liability

The Group records full provision for the future costs of decommissioning for network and other assets. The assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the network assets cease to produce at economically viable rates. This, in turn, will depend upon future technologies, which are inherently uncertain.

Fair value of unquoted equity investments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The Group believes that sufficient taxable profit will be available to allow or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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. Inventories 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.

Business combinations

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity.

The Group makes judgments and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of profit or loss.

Licences and spectrum fees

The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Uncertain tax exposures

In certain circumstances, the Group may not be able to determine the exact amount of its current or future tax liabilities or recoverable amount of the claim refund due to ongoing investigations by, or discussions with the various taxation authorities. In determining the amount to be recognized in respect of uncertain tax liability or the recoverable amount of the claim for tax refund related to uncertain tax positions, the Group applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with IFRIC 23 Uncertainty over Income Tax Treatment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 12 Income Taxes.

Estimation of financial information

The Group accounts for its investment in associate using equity accounting as required by IAS 28. For the investment where information is not available at the reporting date, the Group has estimated the financial information based on the historical trends, quarterly financial information, budgets and future forecasts. Management believes that estimated financial information is reasonable.

42. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Customer loyalty programme
The Company allocates a portion of the transaction price to the loyalty programme based on relative standalone selling price ("SSP"). The Company estimates the SSP of loyalty points by estimating the weighted average cost for redemption of the points based on the actual value of the products redeemed during the year. Inputs to the models include making assumptions about expected redemption rates and the mix of products that will be available for redemption in the future.

Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk
As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Calculation of loss allowance
Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurement
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified external valuers to perform the valuation. The management/ valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Variable lease payments (Upon adoption of IFRS 16, applicable from 1 January 2019)
Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100 per cent of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Residual value guarantees (Upon adoption of IFRS 16, applicable from 1 January 2019)
The Company initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period. At the end of reporting period, the amount expected to be payable has been included in calculating the lease liabilities while the amount not expected to be payable has been excluded from the lease liabilities.

Discounting of lease payments (Upon adoption of IFRS 16, applicable from 1 January 2019)
The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease. 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.

42. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Assessment as to whether the right-of-use assets is impaired (Upon adoption of IFRS 16, applicable from 1 January 2019)
In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms. Due to the associated uncertainty, management estimates the amount of lease payment that would not be recovered and would lead to an impairment charge against the right-of-asset in respect of the property.

Asset retirement obligation (Upon adoption of IFRS 16, applicable from 1 January 2019)
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.

Determination of assets as portfolio (Upon adoption of IFRS 16, applicable from 1 January 2019)
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.

43. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON – CONTROLLING INTERESTS
The following table summarizes the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

	Asiacell QR.'000	**NMTC* QR.'000**	**Indosat Ooredoo QR.'000**	**Ooredoo Oman QR.'000**
31 December 2019				
Non-current assets	**4,296,512**	**11,794,449**	**15,037,448**	**3,298,525**
Current assets	**5,446,791**	**3,472,561**	**3,129,350**	**886,819**
Non-current liabilities	**(151,614)**	**(3,269,276)**	**(8,499,951)**	**(439,057)**
Current liabilities	**(5,482,301)**	**(5,122,495)**	**(6,224,950)**	**(1,265,885)**
Net assets	**4,109,388**	**6,875,239**	**3,441,897**	**2,480,402**
Carrying amount of NCI	**1,476,949**	**1,490,241**	**1,462,534**	**1,119,253**
Revenue	**4,572,388**	**7,591,631**	**6,727,520**	**2,703,084**
Profit	**524,423**	**416,387**	**423,632**	**321,416**
Profit allocated to NCI	**188,482**	**64,478**	**158,586**	**143,775**

	Asiacell QR.'000	NMTC* QR.'000	Indosat Ooredoo QR.'000	Ooredoo Oman QR.'000
31 December 2018				
Non-current assets	4,990,148	10,329,979	12,691,503	2,934,043
Current assets	5,013,416	3,608,484	1,846,990	973,326
Non-current liabilities	(126,197)	(2,032,396)	(6,102,011)	(154,813)
Current liabilities	(5,348,106)	(5,242,438)	(5,524,101)	(1,317,015)
Net assets	4,529,261	6,663,629	2,912,381	2,435,541
Carrying amount of NCI	1,627,855	1,496,161	1,261,330	1,100,867
Revenue	4,448,836	8,017,456	5,919,012	2,685,125
Profit	451,135	421,009	(529,727)	396,514
Profit allocated to NCI	162,142	73,832	(131,933)	177,948

*This includes the Group's subsidiaries with material non-controlling interest (NCI) within NMTC sub-group (Wataniya Telecom Algerie S.P.A. ("Ooredoo Algeria"), Ooredoo Tunisie S.A. ("Ooredoo Tunisia"), Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Ooredoo Palestine"), before any intra-group eliminations.

44. SEGMENT INFORMATION

Information regarding the Group's reportable segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") and used to allocate resources to the segments and to assess their performance.

The Group is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the MENA. Outside of Qatar, the Group operates through its subsidiaries and associates and major operations that are reported to the Group's CODM are considered by the Group to be reportable segment. Revenue is attributed to reportable segments based on the location of the Group companies. Inter-segment sales are charged at arms' length prices.

For management reporting purposes, the Group is organised into business units based on their geographical area covered, and has six reportable segments as follows:

1. Ooredoo Qatar is a provider of domestic and international telecommunication services within the State of Qatar;
2. Asiacell is a provider of mobile telecommunication services in Iraq;
3. NMTC group is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region. NMTC group includes balances of Ooredoo Kuwait, Ooredoo Tunisia, Ooredoo Algeria, Ooredoo Palestine, Ooredoo Maldives PLC and others. Management believe that presenting NMTC as one segment will provide the most relevant information to the users of the consolidated financial statement of the Group, as NMTC is a public listed company in Kuwait and it presents detailed segment note in its consolidated financial statements, which are publicly available.
4. Indosat Ooredoo is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia.
5. Ooredoo Oman is a provider of mobile and fixed telecommunication services in Oman;
6. Ooredoo Myanmar is a provider of mobile and fixed telecommunication services in Myanmar; and
7. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services.

Management monitors the operating results of its operating subsidiaries separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these reportable segments. Transfer pricing between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group has written down its assets to its recoverable amount and recorded an impairment loss when the recoverable amount of assets is lower than its carrying amount.

44. SEGMENT INFORMATION (CONTINUED)

Operating segments

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2019 and 2018:

Year ended 31 December 2019

	Ooredoo Qatar QR.'000	Asiacell QR.'000	NMTC QR.'000	Indosat Ooredoo QR.'000	Ooredoo Oman QR.'000	Ooredoo Myanmar QR.'000	Others QR.'000	Adjustments and eliminations QR.'000		Total QR.'000
Revenue										
Revenue from rendering of telecom services	7,054,139	4,562,709	6,661,990	6,328,123	2,574,223	1,041,864	15,098	-		28,238,146
Sale of telecommunications equipment	121,487	-	833,323	152,706	104,799	5,203	162,488	-		1,380,006
Revenue from use of assets by others	19,112	-	7,117	242,840	16,710	11,610	-	-		297,389
Inter-segment	105,974	9,679	89,201	3,851	7,352	3,187	258,504	(477,748)	(i)	-
Total revenue	**7,300,712**	**4,572,388**	**7,591,631**	**6,727,520**	**2,703,084**	**1,061,864**	**436,090**	**(477,748)**		**29,915,541**
Timing of revenue recognition										
At a point in time	185,527	-	833,323	152,706	104,799	5,203	202,836	(104,388)		1,380,006
Over time	7,115,185	4,572,388	6,758,308	6,574,814	2,598,285	1,056,661	233,254	(373,360)		28,535,535
	7,300,712	**4,572,388**	**7,591,631**	**6,727,520**	**2,703,084**	**1,061,864**	**436,090**	**(477,748)**		**29,915,541**
Results										
Segment profit / (loss) before tax*	**1,974,869**	**693,815**	**899,220**	**412,708**	**506,476**	**(889,668)**	**(500,630)**	**(450,687)**	**(ii)**	**2,646,103**
Depreciation and amortisation	**895,539**	**1,320,187**	**1,699,139**	**2,711,410**	**677,581**	**818,055**	**15,338**	**450,400**	**(iii)**	**8,587,649**
Net finance costs	**828,041**	**48,620**	**141,812**	**799,450**	**30,324**	**240,129**	**(710)**	**-**		**2,087,666**

**Segment profit / loss before tax is determined after deducting all expenses attributable to the segment including depreciation, amortisation and impairment of assets and finance cost.*

44. SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2018

	Ooredoo Qatar QR.'000	Asiacell QR.'000	NMTC QR.'000	Indosat Ooredoo QR.'000	Ooredoo Oman QR.'000	Ooredoo Myanmar QR.'000	Others QR.'000	Adjustments and eliminations QR.'000		Total QR.'000
Revenue										
Revenue from rendering of telecom services	7,211,032	4,438,569	6,768,634	5,603,005	2,602,901	1,247,828	23,304	-		27,895,273
Sale of telecommunications equipment	248,826	-	1,092,282	83,472	51,515	2,086	269,280	-		1,747,461
Revenue from use of assets by others	18,504	-	3,595	228,345	23,639	9,907	-	-		283,990
Inter-segment	263,341	10,267	152,945	4,190	7,070	2,500	288,370	(728,683)		-
Total revenue	7,741,703	4,448,836	8,017,456	5,919,012	2,685,125	1,262,321	580,954	(728,683)	(i)	29,926,724
Timing of revenue recognition										
At a point in time	461,936	-	1,092,282	83,472	51,515	2,086	324,210	(268,040)		1,747,461
Over time	7,279,767	4,448,836	6,925,174	5,835,540	2,633,610	1,260,235	256,744	(460,643)		28,179,263
	7,741,703	4,448,836	8,017,456	5,919,012	2,685,125	1,262,321	580,954	(728,683)		29,926,724
Results										
Segment profit / (loss) before tax*	2,218,604	765,832	937,560	(676,227)	591,949	(924,950)	(86,891)	(548,186)	(ii)	2,277,691
Depreciation and amortisation	847,102	1,325,475	1,578,559	2,292,705	597,874	796,042	28,288	534,452	(iii)	8,000,497
Net finance costs	943,179	19,934	87,959	627,172	12,156	42,257	145	-		1,732,802

*Segment profit / loss before tax is determined after deducting all expenses attributable to the segment including depreciation, amortisation and impairment of assets and finance cost.

44. SEGMENT INFORMATION (CONTINUED)

Note:

(i) Inter-segment revenues are eliminated on consolidation.
(ii) Segment profit before tax does not include the following:

	2019 QR.'000	2018 QR.'000
Amortisation of intangibles	**(450,687)**	(538,426)
Impairment of intangibles	**-**	(9,760)
	(450,687)	(548,186)

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.
The following table presents segment assets of the Group's operating segments as at 31 December 2019 and 2018.

	Ooredoo Qatar QR.'000	**Asiacell QR.'000**	**NMTC QR.'000**	**Indosat Ooredoo QR.'000**	**Ooredoo Oman QR.'000**	**Ooredoo Myanmar QR.'000**	**Others QR.'000**	**Adjustments and Eliminations QR.'000**	**Total QR.'000**
Segment assets (i)									
At 31 December 2019	**15,708,374**	**9,592,206**	**20,646,497**	**18,816,513**	**4,168,799**	**6,733,000**	**3,578,171**	**8,738,062**	**87,981,622**
At 31 December 2018	18,693,034	9,850,453	19,661,685	15,256,760	3,890,053	5,438,759	4,037,784	8,470,947	85,299,475
Capital expenditure (ii)									
At 31 December 2019	**1,577,191**	**360,563**	**1,216,825**	**3,344,921**	**538,958**	**419,756**	**10,118**	**-**	**7,468,332**
At 31 December 2018	719,919	137,723	1,074,675	3,099,432	497,767	707,914	8,071	-	6,245,501

Note:

(i) Goodwill amounting to QR. 8,738,062 thousand (31 December 2018: QR. 8,470,947 thousand) was not considered as part of segment assets.
(ii) Capital expenditure consists of additions to property, plant and equipment and intangibles excluding goodwill and assets arising from business combinations.

45. CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the Group is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in statement of changes in equity.

During the year, the Group appropriated an amount of QR. 40,700 thousand (2018: QR. 49,625 thousand) representing 2.5% of the net profit generated from Qatar Operations.

46. SHARE SPLIT

On 19 March 2019, the Extraordinary General Meeting of the Company approved the par value of the ordinary share to be QR. 1 instead of QR. 10, as per the instructions of Qatar Financial Markets Authority, and amendment of the related Articles of Association.

The share split has been implemented on 4 July 2019 and this has led to an increase in the number of authorized shares from 500,000,000 shares to 5,000,000,000 ordinary shares and the total number of issued and fully paid up shares increased from 320,320,000 shares to 3,203,200,000 ordinary shares.

Consequently, weighted average number of shares outstanding and the computed Earnings per Share (EPS) have been retrospectively adjusted (Note 24). The number of shares were adjusted from 320,320,000 as at 31 December 2018 to 3,203,200,000 whereas EPS was adjusted from QR. 4.89 for the year ended 31 December 2018, to QR. 0.49. The share split also impacted the EPS upon transition to IFRS 16 (Note 3.2.1).

47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2019 QR.'000	Financing cash flows (i) QR.'000	Non-cash changes (ii) QR.'000	Other changes (iii) QR.'000	31 December 2019 QR.'000
Loans and borrowings (Note 28)	36,896,723	(6,522,774)	-	265,882	30,639,831
Deferred financing costs (Note 28)	(206,750)	(30,028)	52,158	(353)	(184,973)
Other non-current liabilities (Note 30)	2,197,505	364,467	-	96,421	2,658,393

Note

(i) The financing activities in the statement of cash flows mainly includes the cash flows from loans and borrowings and other non-current liabilities.

(ii) The non-cash changes pertain to the amortisation of deferred financing costs.

(iii) Other changes include exchange adjustments and reclassification.