**OOREDOO Q.P.S.C.**
**DOHA - QATAR**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REVIEW REPORT FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2019**

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT
For the nine-month period ended 30 September 2019

**CONTENTS** **Page (s)**

Deloitte & Touche - Qatar Branch
Al Ahli Bank Head Office Building
Suhaim Bin Hamad Street
Al Sadd Area
Doha, P.O. Box 431
Qatar

Tel : +974 44341112
Fax : +974 44422131
www.deloitte.com

**QR. 83371**

**RN: 0325/SM/FY2020**

## INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors**
**Ooredoo Q.P.S.C.**
**Doha - Qatar**

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ooredoo Q.P.S.C.** (the "Company") and its subsidiaries (together the "Group") as at 30 September 2019, and the related condensed consolidated interim statements of profit or loss and condensed consolidated interim statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019, and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

**Doha – Qatar**
**29 October 2019**

For **Deloitte & Touche**
**Qatar Branch**

M. Salha

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

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
For the three-month and nine-month periods ended 30 September 2019

| | Note | *For the three-month period ended 30 September* | | *For the nine-month period ended 30 September* | |
|---|---|---|---|---|---|
| | | ***2019*** | *2018* | ***2019*** | *2018* |
| | | ***(Reviewed)*** | | ***(Reviewed)*** | |
| | | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| Revenue | 4 | **7,457,043** | 7,409,075 | **21,965,162** | 22,531,211 |
| Operating expenses | | **(2,704,901)** | (2,902,815) | **(7,940,268)** | (9,024,355) |
| Selling, general and administrative expenses | | **(1,441,114)** | (1,643,444) | **(4,396,682)** | (4,623,629) |
| Depreciation and amortisation | | **(2,135,602)** | (1,993,298) | **(6,377,139)** | (6,051,597) |
| Net finance costs | | **(498,956)** | (396,140) | **(1,548,037)** | (1,294,089) |
| Impairment reversal (losses) on goodwill, financial assets and other assets | | **2,089** | (173,446) | **2,533** | (171,344) |
| Other income – net | 5 | **62,442** | 130,603 | **410,824** | 292,327 |
| Share in results of associates and joint ventures – net of tax | 10 | **14,282** | 262,501 | **36,167** | 453,628 |
| Royalties and fees | 6 | **(124,638)** | (136,929) | **(376,968)** | (418,662) |
| **Profit before income tax** | | **630,645** | 556,107 | **1,775,592** | 1,693,490 |
| Income tax | 15 | **(94,715)** | (123,754) | **(261,825)** | (385,783) |
| **Profit for the period** | | **535,930** | 432,353 | **1,513,767** | 1,307,707 |
| Profit attributable to: | | | | | |
| Shareholders of the parent | | **424,051** | 403,200 | **1,265,218** | 1,092,121 |
| Non-controlling interests | | **111,879** | 29,153 | **248,549** | 215,586 |
| | | **535,930** | 432,353 | **1,513,767** | 1,307,707 |
| **Basic and diluted earnings per share** (Attributable to shareholders of the parent) (Expressed in QR. per share) | 7 | **0.13** | 0.13 | **0.39** | 0.34 |

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the three-month and nine-month periods ended 30 September 2019

| | Note | ***For the three-month period ended 30 September*** | | ***For the nine-month period ended 30 September*** | |
|---|---|---|---|---|---|
| | | ***2019*** | 2018 | ***2019*** | 2018 |
| | | *(Reviewed)* | | *(Reviewed)* | |
| | | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| **Profit for the period** | | **535,930** | 432,353 | **1,513,767** | 1,307,707 |
| **Other comprehensive income** | | | | | |
| ***Items that may be reclassified subsequently to profit or loss*** | | | | | |
| Effective portion of changes in fair value of cash flow hedges | 21 | **(1,690)** | (32) | **(6,114)** | 259 |
| Share of other comprehensive (loss) income of associates and joint ventures | 21 | **(10,492)** | 2,665 | **(37,367)** | 5,417 |
| Foreign currency translation differences | 21 | **(129,350)** | (1,103,220) | **220,987** | (1,704,760) |
| ***Items that will not to be reclassified subsequently to profit or loss*** | | | | | |
| Net changes in fair value on investments in equity instruments designated as at FVTOCI | 21 | **(8,185)** | 77,387 | **(5,360)** | (3,355) |
| Net changes in fair value of employees' benefits reserve | 21 | **835** | 270 | **1,082** | 5,156 |
| **Other comprehensive income (loss) – net of tax** | | **(148,882)** | (1,022,930) | **173,228** | (1,697,283) |
| **Total comprehensive income (loss) for the period** | | **387,048** | (590,577) | **1,686,995** | (389,576) |
| Total comprehensive income (loss) attributable to: | | | | | |
| Shareholders of the parent | | **282,376** | (519,536) | **1,406,201** | (378,650) |
| Non-controlling interests | | **104,672** | (71,041) | **280,794** | (10,926) |
| | | **387,048** | (590,577) | **1,686,995** | (389,576) |

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

| | Note | ***30 September 2019*** ***(Reviewed)*** ***QR.'000*** | *31 December 2018* *(Audited)* *QR.'000* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 8 | **25,993,908** | 27,207,493 |
| Intangible assets and goodwill | 9 | **26,532,273** | 26,656,686 |
| Right-of-use assets | 3a | **5,704,720** | - |
| Investment property | | **65,677** | 52,802 |
| Investment in associates and joint ventures | 10 | **1,974,434** | 2,146,946 |
| Financial assets - equity instruments | 11 | **923,539** | 947,237 |
| Other non-current assets | | **712,475** | 858,994 |
| Deferred tax assets | | **653,689** | 569,892 |
| Contract cost and assets | | **170,371** | 151,806 |
| **Total non-current assets** | | **62,731,086** | 58,591,856 |
| **Current assets** | | | |
| Inventories | | **540,842** | 643,061 |
| Contract costs and assets | | **405,722** | 312,070 |
| Trade and other receivables | | **8,663,119** | 8,233,543 |
| Bank balances and cash | 12 | **12,627,483** | 17,493,273 |
| | | **22,237,166** | 26,681,947 |
| Assets held for sale | | **351,787** | 25,672 |
| **Total current assets** | | **22,588,953** | 26,707,619 |
| **TOTAL ASSETS** | | **85,320,039** | 85,299,475 |
| **EQUITY** | | | |
| Share capital | 13 | **3,203,200** | 3,203,200 |
| Legal reserve | | **12,434,282** | 12,434,282 |
| Fair value reserve | | **546,220** | 606,299 |
| Employees' benefit reserve | | **9,293** | 22,031 |
| Translation reserve | 14 | **(7,616,484)** | (7,805,451) |
| Other statutory reserves | | **1,252,304** | 1,252,304 |
| Retained earnings | | **12,592,077** | 12,496,038 |
| **Equity attributable to shareholders of the parent** | | **22,420,892** | 22,208,703 |
| Non-controlling interests | | **5,678,932** | 5,968,984 |
| **Total equity** | | **28,099,824** | 28,177,687 |

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 September 2019

| | Note | *30 September 2019 (Reviewed) QR.'000* | *31 December 2018 (Audited) QR.'000* |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Loans and borrowings | 17 | **26,089,405** | 27,479,441 |
| Employees' benefits | 18 | **734,924** | 825,611 |
| Lease liabilities | 3a, 20 | **5,128,430** | - |
| Deferred tax liabilities | | **343,755** | 358,260 |
| Other non-current liabilities | | **2,116,936** | 2,197,505 |
| Contract liabilities | | **7,725** | 14,121 |
| **Total non-current liabilities** | | **34,421,175** | 30,874,938 |
| **Current liabilities** | | | |
| Loans and borrowings | 17 | **5,541,849** | 9,279,920 |
| Lease liabilities | 3a, 20 | **854,379** | - |
| Trade and other payables | 19 | **12,966,181** | 13,330,351 |
| Deferred income | | **1,851,135** | 1,940,644 |
| Contract liabilities | | **140,366** | 145,132 |
| Income tax payable | | **1,445,130** | 1,550,803 |
| **Total current liabilities** | | **22,799,040** | 26,246,850 |
| **Total liabilities** | | **57,220,215** | 57,121,788 |
| **TOTAL EQUITY AND LIABILITIES** | | **85,320,039** | 85,299,475 |

.............................................
Abdulla Bin Mohammed Bin Saud Al Thani
Chairman

.............................................
Nasser Rashid Al Humaidi
Member

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2019

| | *Attributable to shareholders of the parent* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ***Share capital*** | ***Legal reserve*** | ***Fair value reserve*** | ***Employees benefit reserve*** | ***Translation reserve*** | ***Other statutory reserves*** | ***Retained earnings*** | ***Total*** | ***Non – controlling interests*** | ***Total equity*** |
| | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***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 (Note 3a) | - | - | - | - | - | - | (406,539) | (406,539) | (10,811) | (417,350) |
| **Adjusted balance as at 1 January 2019** | **3,203,200** | **12,434,282** | **606,299** | **22,031** | **(7,805,451)** | **1,252,304** | **12,089,499** | **21,802,164** | **5,958,173** | **27,760,337** |
| Profit for the period | - | - | - | - | - | - | 1,265,218 | 1,265,218 | 248,549 | 1,513,767 |
| Other comprehensive income (loss) | - | - | (48,223) | 239 | 188,967 | - | - | 140,983 | 32,245 | 173,228 |
| Total comprehensive income (loss) for the period | - | - | (48,223) | 239 | 188,967 | - | 1,265,218 | 1,406,201 | 280,794 | 1,686,995 |
| Realized gain on FVTOCI investment recycled to retained earnings | - | - | (11,856) | - | - | - | 11,856 | - | - | - |
| Employee benefit reserve recycled to retained earnings | - | - | | (12,977) | - | - | 12,977 | - | - | - |
| ***Transaction with shareholders of the parent, recognised directly in equity*** | | | | | | | | | | |
| Dividend for 2018 | - | - | - | - | - | - | (800,800) | (800,800) | - | (800,800) |
| ***Transaction with non-controlling interest, recognised directly in equity*** | | | | | | | | | | |
| Change in subsidiary's non-controlling interest | - | - | - | - | - | - | (82) | (82) | (726) | (808) |
| Change in associate's non-controlling interest of its subsidiary | - | - | - | - | - | - | 14,924 | 14,924 | - | 14,924 |
| Dividend 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) |
| **At 30 September 2019** | **3,203,200** | **12,434,282** | **546,220** | **9,293** | **(7,616,484)** | **1,252,304** | **12,592,077** | **22,420,892** | **5,678,932** | **28,099,824** |

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the nine-month period ended 30 September 2019

| | *Attributable to shareholders of the parent* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Share capital* | *Legal reserve* | *Fair value reserve* | *Employees benefit reserve* | *Translation reserve* | *Other statutory reserves* | *Retained earnings* | *Total* | *Non – controlling interests* | *Total equity* |
| | *QR.'000* | *QR.'000* | *QR.'000* | *QR'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* |
| At 1 January 2018 (audited) | 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 (restated) (Note 29) | - | - | - | - | - | - | 229,544 | 229,544 | (4,004) | 225,540 |
| Initial application of IFRS 9 (restated) (Note 29) | - | - | (120,818) | - | - | - | 99,835 | (20,983) | (17,320) | (38,303) |
| Adjusted balance as at 1 January 2018 (Note 29) | 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 period | - | - | - | - | - | - | 1,092,121 | 1,092,121 | 215,586 | 1,307,707 |
| Other comprehensive income | - | - | 3,854 | 2,621 | (1,477,246) | - | - | (1,470,771) | (226,512) | (1,697,283) |
| Total comprehensive income for the period | - | - | 3,854 | 2,621 | (1,477,246) | - | 1,092,121 | (378,650) | (10,926) | (389,576) |
| 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 | - | - | - | - | - | - | (1,121,120) | (1,121,120) | - | (1,121,120) |
| *Transaction with non-controlling interest, recognised directly in equity* | | | | | | | | | | |
| Change in subsidiary's non-controlling interest | - | - | - | - | - | - | (4,440) | (4,440) | 61,396 | 56,956 |
| 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 |
| Dividend for 2017 | - | - | - | - | - | - | - | - | (265,699) | (265,699) |
| *Transaction with non-owners of the Group, recognised directly in equity* | | | | | | | | | | |
| Transfer to employee association fund | - | - | - | - | - | - | (1,889) | (1,889) | (358) | (2,247) |
| At 30 September 2018 (Reviewed) (Restated) (Note 29) | 3,203,200 | 12,434,282 | 574,384 | (9,876) | (7,775,747) | 1,202,508 | 12,122,708 | 21,751,459 | 6,259,183 | 28,010,642 |

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)
For the nine-month period ended 30 September 2019

| | Note | *For the nine-month period ended 30 September* | |
|---|---|---|---|
| | | ***2019*** | *2018* |
| | | *(Reviewed)* | |
| | | ***QR.'000*** | *QR.'000* |
| **OPERATING ACTIVITIES** | | | |
| Profit before income taxes | | **1,775,592** | 1,693,490 |
| Adjustments for: | | | |
| Depreciation and amortization | | **6,377,139** | 6,051,597 |
| Dividend income | | **(2,822)** | (11,273) |
| Impairment reversal (losses) on goodwill, financial assets and other assets | | **(2,533)** | 171,344 |
| Gain on disposal of investments at FVTPL | | **51** | 1 |
| Changes in fair value of FVTPL investments | | **3,562** | (25,205) |
| Gain on loss of control of a subsidiary | | **-** | (235,969) |
| Gain on disposal of property, plant and equipment | | **(54,505)** | (21,176) |
| Net finance costs | | **1,548,037** | 1,294,089 |
| Provision for employees' benefits | | **95,122** | 154,130 |
| Provision for trade receivables | | **183,743** | 208,477 |
| Share of results in associates and joint ventures – net of tax | 10 | **(36,167)** | (453,628) |
| **Operating profit before working capital changes** | | **9,887,219** | 8,825,877 |
| Working capital changes: | | | |
| Changes in inventories | | **102,219** | 94,230 |
| Changes in trade and other receivables | | **(783,959)** | (1,080,481) |
| Changes in contract costs and assets | | **(112,217)** | (132,074) |
| Change in trade and other payables | | **(663,373)** | (513,849) |
| Change in contract liabilities | | **(11,162)** | (46,320) |
| **Cash from operations** | | **8,418,727** | 7,147,383 |
| Finance costs paid | | **(1,627,992)** | (1,457,837) |
| Employees' benefits paid | | **(181,392)** | (219,018) |
| Income tax paid | | **(441,496)** | (464,080) |
| **Net cash from operating activities** | | **6,167,847** | 5,006,448 |
| **INVESTING ACTIVITIES** | | | |
| Acquisition of property, plant and equipment | | **(3,306,864)** | (2,764,744) |
| Acquisition of intangible assets | | **(992,199)** | (1,225,709) |
| Additional investments in associates | | **(15,892)** | (20,416) |
| Additional investments in joint ventures | | **-** | (550) |
| Additional investment in equity instruments | | **-** | (11,666) |
| Proceeds from disposal of property, plant and equipment | | **93,543** | 99,743 |
| Proceeds from disposal of investments at FVTPL | | **16,015** | 43,229 |
| Movement in restricted deposits | | **(38,178)** | 46,210 |
| Movement in short-term deposits | | **(87,826)** | 376,602 |
| Movement in other non-current assets | | **(156,029)** | 107,501 |
| Dividend received | | **81,794** | 367,846 |
| Interest received | | **241,213** | 264,170 |
| **Net cash used in investing activities** | | **(4,164,423)** | (2,717,784) |

The accompanying notes 1 to 29 form part of these condensed consolidated interim financial statements.

**OOREDOO Q.P.S.C.**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)
For the nine-month period ended 30 September 2019

| | Note | ***For the nine-month period ended 30 September*** | |
|---|---|---|---|
| | | ***2019*** | *2018* |
| | | *(Reviewed)* | |
| | | ***QR.'000*** | *QR.'000* |
| **FINANCING ACTIVITIES** | | | |
| Proceeds from rights issue of a subsidiary | | **-** | 56,956 |
| Acquisition of non-controlling interest | | **(808)** | - |
| Proceeds from loans and borrowings | | **9,125,188** | 3,782,808 |
| Repayment of loans and borrowings | | **(14,604,875)** | (5,894,931) |
| Principal elements of lease payments | 20 | **(853,213)** | - |
| Additions to deferred financing costs | | **(30,213)** | (5,129) |
| Dividend paid to shareholders of the parent | | **(800,800)** | (1,121,120) |
| Dividend paid to non-controlling interests | | **(559,022)** | (265,699) |
| Movement in other non-current liabilities | | **505,470** | 195,748 |
| **Net cash used in financing activities** | | **(7,218,273)** | (3,251,367) |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | **(5,214,849)** | (962,703) |
| Effect of exchange rate fluctuations | | **(9,924)** | 540,883 |
| Cash and cash equivalents at 1 January | | **16,533,142** | 17,095,602 |
| **CASH AND CASH EQUIVALENTS 30 SEPTEMBER** | 12 | **11,308,369** | 16,673,782 |

The accompanying notes 1 to 29 form part of these condensed consolidated interim 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") provides 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 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 condensed consolidated interim financial statements of the Group for nine-month period ended 30 September 2019 were authorised for issuance in accordance with a resolution of the Board of Directors of the Group on 29 October 2019.

## 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the nine-month period ended 30 September 2019 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

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

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018. In addition, results for the nine-month period ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

*Judgments, estimates and risk management*
The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2018, except as mentioned in Note 3.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

### 3.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

**(i) New and amended standards adopted by the Group**

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 ISC 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 3a.

**(ii) Revised standards**

Effective for annual periods beginning on or after 1 January 2019

| | |
|---|---|
| • Amendments to IFRS 9 | *Prepayments Features with Negative Compensation* |
| • Amendments to IAS 28 | *Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures.* |
| • Amendments to IAS 19 | *Employee Benefits Plan Amendment, Curtailment or Settlement* |
| • 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* |
| • IFRIC 23 | *Uncertainty over Income Tax Treatments* |

**(iii) New and revised standards and interpretations but not yet effective:**

Effective for annual periods beginning on or after 1 January 2020

- Amendments regarding the definition of material
- Amendments to clarify the definition of a business
- IFRS 17: Insurance Contracts
- 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
- Amendments to 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*

## 3a. CHANGES IN ACCOUNTING POLICIES

*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)

### 3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Upon transition to IFRS 16, the Group recognized QR. 5,717,408 thousand of right-of-use assets and QR. 5,683,443 thousand of lease liabilities. The impact of initial recognition of IFRS 16 on the condensed consolidated interim 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 7.55%. 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* |
|---|---|
| Operating lease commitment at 31 December 2018 | **3,978,767** |
| Add: Operating lease commitment not included in the opening balance | **1,833,904** |
| Adjusted operating lease commitment at 31 December 2018 | **5,812,671** |
| Discounted using the incremental borrowing rate as at 1 January 2019 | **4,270,677** |
| 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 | **573,077** |
| Less: Variable lease payments based on an index or a rate | **(4,265)** |
| **Lease liabilities recognized as at 1 January 2019** | **5,683,443** |
| Of which are: | |
| Non-current lease liabilities | **4,980,511** |
| Current lease liabilities | **702,932** |

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:

| | **30 September 2019** *QR.'000* | **1 January 2019** *QR.'000* |
|---|---|---|
| Land and buildings | **1,910,832** | 1,845,536 |
| Exchange and network assets | **3,658,425** | 3,687,981 |
| Subscriber apparatus and other equipment | **85,836** | 132,018 |
| Indefeasible rights-of-use (IRU) | **49,627** | 51,873 |
| **Total right-of-use assets** | **5,704,720** | 5,717,408 |

As at transition date, the Group reclassified property, plant and equipment amounting to QR. 879,768 thousand to right-of-use assets (Note 8). During the nine-month period ended 30 September 2019, additions to right-of-use assets amounted to QR. 919,736 thousand, whereas depreciation and amortisation of right-of-use assets amounted to QR. 798,017 thousand.

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

| | Increase (decrease) |
|---|---|
| | *QR.'000* |
| **Financial statement line item** | |
| Right-of-use assets | **5,717,408** |
| Property, plant and equipment | **(879,768)** |
| Deferred tax assets | **31,228** |
| Other non-current assets | **(297,223)** |
| Trade and other receivables | **(182,824)** |
| Retained earnings | **(406,539)** |
| Non-controlling interests | **(10,811)** |
| Lease liabilities | **5,683,443** |
| Other non-current liabilities | **(709,569)** |
| Trade and other payables | **(167,703)** |

The change in accounting policy affected the following items in the condensed consolidated interim statement of profit or loss for the nine-month period ended 30 September 2019:

| | Increase (decrease) |
|---|---|
| | *QR.'000* |
| **Financial statement line item** | |
| Operating expenses | **690,005** |
| Selling, general and administrative expenses | **73,968** |
| Depreciation and amortisation | **(667,818)** |
| Net finance costs | **(269,873)** |
| Other income – net | **(869)** |
| Income tax | **33,780** |
| Profit for the period | **(140,807)** |
| | |
| Profit attributable to the shareholders | **(101,092)** |
| Profit attributable to non-controlling interest | **(39,715)** |

Earnings per share decreased by QR. 0.03 per share for the nine-month period ended 30 September 2019 as a result of the adoption of IFRS 16 (Note 27).

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

*IFRS 16 Leases – Accounting policies applied 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. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

*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.

**3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

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

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

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 leases.

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.

The Group also applied the following practical expedients on a lease by lease basis:

a. Applied the exemption not to recognize right-of-use assets and liabilities for leases with underlying assets assessed as low value.
b. 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.

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3a. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

*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 condensed consolidated interim statement of profit or loss, on a straight line basis over the lease term.

*Changes in judgment, estimate and risk management*

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the changes highlighted below:

a. Extension and termination options are included in several leases across various classes of right-of-use assets across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease.

b. The present value of the lease payments is determined using the discount rate representing the incremental borrowing rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment.

c. The Group accounts and identifies assets as a portfolio based on its similar characteristics and has applied the requirements of IFRS 16 on estimates and assumptions that reflect the size and composition of that portfolio.

d. The Group records full provision for any future costs of decommissioning for its right of use assets. The estimate for future costs is based on current economic environment, which management believes is a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes on the underlying assumptions.

## 4 REVENUE

| | *For the three-month period ended 30 September* | | *For the nine-month period ended 30 September* | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| Revenue from rendering of services | **7,121,499** | 6,972,912 | **20,811,393** | 20,901,082 |
| Sale of telecommunication equipment | **258,709** | 368,362 | **930,813** | 1,417,747 |
| Equipment rental revenue | **76,835** | 67,801 | **222,956** | 212,382 |
| | **7,457,043** | 7,409,075 | **21,965,162** | 22,531,211 |

| | *For the three-month period ended 30 September* | | *For the nine-month period ended 30 September* | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| At a point in time | **258,709** | 368,362 | **930,813** | 1,417,747 |
| Over time | **7,198,334** | 7,040,713 | **21,034,349** | 21,113,464 |
| | **7,457,043** | 7,409,075 | **21,965,162** | 22,531,211 |

Management expects that the transaction price allocated to the unsatisfied contracts as at 30 September 2019, mainly relating to deferred income, will be recognized as revenue during subsequent period.

## 5 OTHER INCOME – NET

| | *For the three-month period ended 30 September* | | *For the nine-month period ended 30 September* | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| Foreign currency losses - net | **(52,681)** | (278,450) | **(1,117)** | (436,084) |
| Dividend income | **-** | - | **2,822** | 11,273 |
| Rental income | **8,397** | 7,331 | **23,277** | 22,182 |
| Change in fair value of derivatives – net | **527** | 3,172 | **(5,197)** | 10,962 |
| Changes in fair value of FVTPL investments | **(1,458)** | 20,154 | **(3,562)** | 25,205 |
| Fair value gain on disposal (i) | **-** | - | **-** | 235,969 |
| Miscellaneous income | **107,657** | 378,396 | **394,601** | 422,820 |
| | **62,442** | 130,603 | **410,824** | 292,327 |

*Note*
(i) This amount represents fair value gain on loss of control of a subsidiary.

## 6 ROYALTIES AND FEES

| | | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|---|---|---|---|---|---|
| | | **2019** | 2018 | **2019** | 2018 |
| | | (Reviewed) | | (Reviewed) | |
| | | **QR.'000** | QR.'000 | **QR.'000** | QR.'000 |
| Royalty | (i) | **70,087** | 80,034 | **208,105** | 233,584 |
| Industry fees | (ii) | **51,128** | 54,762 | **155,689** | 174,109 |
| Other statutory fees | (iii) | **3,423** | 2,133 | **13,174** | 10,969 |
| | | **124,638** | 136,929 | **376,968** | 418,662 |

*Notes*

(i) Royalty is payable to the Government of the Sultanate of Oman based on 12% (2018: 12%) of the net of predefined sources of revenue and interconnection expenses to local operators for mobile license and 7% (2018: 7%) for fixed license.

(ii) The Group provides for a 12.5% (2018: 12.5%) industry fee on profits generated from the Group's operations in Qatar.

(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.

## 7 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | (Reviewed) | | (Reviewed) | |
| | **QR.'000** | QR.'000 | **QR.'000** | QR.'000 |
| Profit for the period attributable to shareholders of the parent (QR.'000) | **424,051** | 403,200 | **1,265,218** | 1,092,121 |
| Weighted average number of shares (In '000)* | **3,203,200** | 3203,200 | **3,203,200** | 3,203,200 |
| Basic and diluted earnings per share (QR.)* | **0.13** | 0.13 | **0.39** | 0.34 |

**Refer to Note 3a for impact of IFRS 16 adoption on basic and diluted earnings per share.*
**Refer to Note 27 for information on share split.*

## 8 PROPERTY, PLANT AND EQUIPMENT

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed) QR.'000*** | *(Audited) QR.'000* |
| Net book value at beginning of the period / year | **27,207,493** | 29,474,307 |
| Additions (i) | **3,938,825** | 4,936,631 |
| Disposals | **(37,072)** | (113,716) |
| Reclassification to intangible assets (Note 9) | **(1,794)** | (137) |
| Reclassification to investment property | **(19,506)** | - |
| Reclassification from other non-current assets | **7,736** | - |
| Depreciation for the period / year | **(4,254,180)** | (5,982,369) |
| Exchange adjustment | **147,317** | (1,057,623) |
| Impairment provision during the period / year | **-** | (49,600) |
| Related to assets held for sale (ii) | **(115,143)** | - |
| Transfer to right-of-use assets (Note 3a) | **(879,768)** | - |
| Carrying value at the end of the period / year | **25,993,908** | 27,207,493 |

*Note*

Asiacell reached an agreement with a local bank wherein it received properties in exchange for the equivalent value of the bank deposits. As at 30 September 2019, Asiacell had received parcels of lands and buildings located in Baghdad and Sulaymaniah amounting to QR. 440,400 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.

(i) During the nine-month period ended 30 September 2019, one of the Group's subsidiaries received fair value of property, plant and equipment amounting to QR. 158 million.

(ii) During the nine-month period ended 30 September 2019, one of the Group's subsidiaries entered in to a sale and leaseback transaction and classified certain assets as held for sale.

## 9 INTANGIBLE ASSETS AND GOODWILL

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed) QR.'000*** | *(Audited) QR.'000* |
| Net book value at beginning of the period / year | **26,656,686** | 28,804,983 |
| Additions | **955,503** | 1,308,870 |
| Disposals | **(1,966)** | (3,040) |
| Reclassification from property, plant and equipment (Note 8) | **1,794** | 137 |
| Amortisation for the period / year | **(1,318,311)** | (2,010,000) |
| Exchange adjustment | **238,567** | (1,434,504) |
| Impairment during the period / year | **-** | (9,760) |
| Carrying value at the end of the period / year | **26,532,273** | 26,656,686 |

*Note*

(i) Indefeasible rights of use (IRUs) are initially included in capital work in progress under property, plant and equipment once it meets the criteria for recognizing and measuring and subsequently transferred to intangibles once they are ready for intended use.

## 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The following table presents the summarised financial information of the Group's investment in associates and joint ventures.

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed) QR.'000*** | *(Audited) QR.'000* |
| Group's share in associates and joint ventures statement of financial position: | | |
| Current assets | **942,341** | 1,129,156 |
| Non-current assets | **2,941,369** | 2,966,360 |
| Current liabilities | **(664,705)** | (736,287) |
| Non-current liabilities | **(2,192,499)** | (2,178,034) |
| Net assets | **1,026,506** | 1,181,195 |
| Goodwill | **947,928** | 965,751 |
| Carrying amount of the investment | **1,974,434** | 2,146,946 |

| | ***For the three-month period ended 30 September*** | | ***For the nine-month period ended 30 September*** | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| Share in revenues of associates and joint ventures | **384,430** | 416,358 | **1,276,169** | 1,312,961 |
| Share in results of associates and joint ventures – net of tax | **14,282** | 262,501 | **36,167** | 453,628 |

## 11 FINANCIAL ASSETS – EQUITY INSTRUMENTS

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed) QR.'000*** | *(Audited) QR.'000* |
| Investment in equity instruments designated at FVTOCI (i) | **834,322** | 855,195 |
| Financial assets measured at FVTPL (i) | **89,217** | 92,042 |
| | **923,539** | 947,237 |

The respective fair value of these investments is disclosed in Note 26.

*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 condensed consolidated interim statement of profit or loss would not be consistent with the Group's strategy.

## 12 CASH AND CASH EQUIVALENTS

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following items:

| | *For the nine-month period ended 30 September* | |
|---|---|---|
| | ***2019*** | *2018* |
| | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* |
| Bank balances and cash – net of impairment allowance | **12,627,483** | 17,621,648 |
| Bank overdraft | **(302,367)** | - |
| | **12,325,116** | 17,621,648 |
| Less: deposits with maturity more than three-months | **(186,960)** | (150,818) |
| Less: restricted deposits | **(829,787)** | (797,048) |
| Cash and cash equivalents as per condensed consolidated interim statement of cash flows | **11,308,369** | 16,673,782 |

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 QR. 5,733 thousand (2018: QR. 8,670 thousand) as accumulated loss allowances on these balances.

## 13 SHARE CAPITAL

| | ***2019*** | | *2018* | |
|---|---|---|---|---|
| | ***No of shares (000)*** | ***QR.'000*** | *No of shares (000)* | *QR.'000* |
| **Authorised** | | | | |
| *Ordinary shares of QR 1* each* | | | | |
| At 30 September / 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 30 September / 31 December | **3,203,200** | **3,203,200** | 3,203,200 | 3,203,200 |

**Refer to Note 27 for information on share split.*

## 14 TRANSLATION RESERVE

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations, except to the extent they relate to non-controlling interest.

## 15 INCOME TAX

The income tax represents amounts recognised by the subsidiaries. The major components of the income tax expense for the period included in the condensed consolidated interim statement of profit or loss are as follows:

| | *For the three-month period ended 30 September* | | *For the nine-month period ended 30 September* | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| **Current income tax** | | | | |
| Current income tax charge | **115,309** | 161,961 | **335,823** | 486,703 |
| **Deferred income tax** | | | | |
| Relating to origination and reversal of temporary differences | **(20,594)** | (38,207) | **(73,998)** | (100,920) |
| | **94,715** | 123,754 | **261,825** | 385,783 |

## 16 DIVIDEND

***Dividend paid:***

| | *For the nine-month period ended 30 September* | |
|---|---|---|
| | ***2019*** | *2018* |
| | ***(Reviewed)*** | |
| | ***QR.'000*** | *QR.'000* |
| Declared and approved at the Annual General Meeting :<br>Final Dividend for 2018: QR. 2.50 per share (2017: QR. 3.50 per share) | **800,800** | 1,121,120 |

## 17 LOANS AND BORROWINGS

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed)*** | *(Audited)* |
| | ***QR.'000*** | *QR.'000* |
| Loans and borrowings | **31,828,055** | 36,966,111 |
| Less: deferred financing costs | **(196,801)** | (206,750) |
| | **31,631,254** | 36,759,361 |

Presented in the condensed consolidated interim statement of financial position as follows:

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed)*** | *(Audited)* |
| | ***QR.'000*** | *QR.'000* |
| Non-current portion | **26,089,405** | 27,479,441 |
| Current portion | **5,541,849** | 9,279,920 |
| | **31,631,254** | 36,759,361 |

The fair value of the Group's loans and borrowings, which include loans and borrowings carried at fixed rates and floating rates, amounted to QR. 33,015,965 thousand as at 30 September 2019 (2018: 36,825,982 thousand) (Note 26).

## 18 EMPLOYEES' BENEFITS

Employees' benefits represent end of service benefits, pensions and other post-employment benefits, and long-term incentives in the form of incentive points, which constitute cash-settled share based payments.

The carrying amount of the liability arising from cash settled share-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 cash settled share-based payments approximates its fair value.

## 19 TRADE AND OTHER PAYABLES

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed)*** | *(Audited)* |
| | ***QR.'000*** | *QR.'000* |
| Trade payables | **2,946,189** | 3,456,452 |
| Accrued expenses | **7,527,279** | 6,827,135 |
| Interest payable | **262,447** | 375,234 |
| Profit payable on Islamic financing obligation | **7,102** | 3,067 |
| License costs payable | **389,719** | 414,028 |
| Amounts due to international carriers -net | **534,095** | 470,024 |
| Negative fair value of derivatives | **92,112** | 83,273 |
| Finance lease liabilities (i) | **-** | 177,969 |
| Cash settled share based payments | **85,539** | 76,544 |
| Other payables | **1,121,699** | 1,446,625 |
| | **12,966,181** | 13,330,351 |

*Note*
(i) Upon adoption of IFRS 16, finance lease liabilities were reclassified to lease liabilities (Note 20).

## 20 LEASE LIABILITIES

| | ***30 September 2019 (Reviewed)*** | *31 December 2018 (Audited)* |
|---|---|---|
| | ***QR.'000*** | *QR.'000* |
| At beginning of period / year | **-** | - |
| Initial application of IFRS 16 | **4,795,905** | - |
| Reclassification of finance lease liabilities | **887,538** | - |
| Additions during the period / year | **919,736** | - |
| Interest expense on lease liability | **330,363** | - |
| Principal element of lease payments | **(853,213)** | - |
| Payment of interest portion of lease liability | **(100,712)** | - |
| Reduction on early termination | **(4,589)** | |
| Exchange adjustments | **7,781** | - |
| | **5,982,809** | - |

## 20 LEASE LIABILITIES (CONTINUED)

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed) QR.'000*** | *(Audited) QR.'000* |
| Non-current portion | **5,128,430** | - |
| Current portion | **854,379** | - |
| | **5,982,809** | - |

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.

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed) QR.'000*** | *(Audited) QR.'000* |
| **Maturity analysis** | | |
| Not later than 1 year | **1,252,549** | - |
| Later than 1 year and not later than 5 years | **3,983,894** | - |
| Later than 5 years | **2,858,437** | - |
| Less: unearned finance income | **(2,112,071)** | - |
| | **5,982,809** | - |

## 21 COMPONENTS OF OTHER COMPREHENSIVE INCOME

| | ***For the three-month period ended 30 September*** | | ***For the nine-month period ended 30 September*** | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| ***Items that may be reclassified subsequently to profit or loss*** | | | | |
| ***Cash flow hedges*** | | | | |
| (Loss) gain arising during the period | **(1,696)** | (38) | **(6,150)** | 283 |
| Deferred tax effect | **6** | 6 | **36** | (24) |
| | **(1,690)** | (32) | **(6,114)** | 259 |
| Share of changes in fair value of cash flow hedges from associates and joint ventures | **(10,492)** | 2,665 | **(37,367)** | 5,417 |
| ***Foreign exchange reserve*** | | | | |
| Foreign exchange translation differences – foreign operations | **(129,350)** | (1,103,220) | **220,987** | (1,704,760) |

## 21 COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

| | *For the three-month period ended 30 September* | | *For the nine-month period ended 30 September* | |
|---|---|---|---|---|
| | ***2019*** | *2018* | ***2019*** | *2018* |
| | *(Reviewed)* | | *(Reviewed)* | |
| | ***QR.'000*** | *QR.'000* | ***QR.'000*** | *QR.'000* |
| ***Items that will not be reclassified subsequently to profit or loss*** | | | | |
| ***Fair value reserve*** | | | | |
| Net changes in fair value of equity investments at fair value through other comprehensive income | **(8,185)** | 77,387 | **(5,360)** | (3,355) |
| ***Employees benefit reserve*** | | | | |
| Net movement in employees benefit reserve | **835** | 195 | **1,082** | 6,844 |
| Deferred tax effect | **-** | 75 | **-** | (1,688) |
| | **835** | 270 | **1,082** | 5,156 |
| **Other comprehensive income (loss) for the period – net of tax** | **(148,882)** | (1,022,930) | **173,228** | (1,697,283) |

## 22 COMMITMENTS

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed)*** | *(Audited)* |
| **Capital expenditure commitments not provided for** | ***QR.'000*** | *QR.'000* |
| Estimated capital expenditure contracted for at the end of the financial reporting period / year but not provided for | **4,144,943** | 2,818,880 |
| Letters of credit | **198,411** | 232,735 |

## 23 CONTINGENT LIABILITIES AND LITIGATIONS

| | ***30 September 2019*** | *31 December 2018* |
|---|---|---|
| | ***(Reviewed)*** | *(Audited)* |
| | ***QR.'000*** | *QR.'000* |
| **Contingent liabilities** | | |
| Letters of guarantees | **400,178** | 570,176 |
| Claims against the Group not acknowledged as debts | **17,902** | 6,899 |

***Litigation***

All other litigations position reported in the Group's annual consolidated financial statements as at 31 December 2018 have not materially changed as at 30 September 2019, except for the potential claim of a local regulator against one of the Group's subsidiary.

## 24 RELATED PARTY DISCLOSURES

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 Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

## 24 RELATED PARTY DISCLOSURES (CONTINUED)

**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. 570,280 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. 24,569 thousand (2018: QR. 26,947 thousand).

(ii) Industry fee (Note 6) 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.

**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.

The compensation and benefits related to Board of Directors and key management personnel amounted to QR. 98,605 thousand for the three-month period ended 30 September 2019 (2018: QR. 92,299 thousand) and QR. 305,029 thousand for the nine-month period ended 30 September 2019 (2018: QR. 276,354 thousand), and end of service benefits amounted to QR. 3,560 thousand for the three-month period ended 30 September 2019 (2018: QR. QR. 2,948 thousand) and QR. 20,627 thousand for the nine-month ended 30 September 2019 (2018: QR. 10,811 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Selling, general and administrative expenses".

## 25 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 mainly engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the MENA. Outside of 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 organized into business units based on their geographical area covered, and has seven 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* is a provider of mobile telecommunication services in Kuwait and elsewhere in the Middle East and North African (MENA) region. NMTC 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 condensed consolidated interim financial statements 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 publically 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.

## 25 SEGMENT INFORMATION (CONTINUED)

**Operating segments**

The following table present revenue and profit information regarding the Group's operating segments for the three-month and nine-month period ended 30 September 2019 and 2018:

***For the three-month period ended 30 September 2019 (Reviewed)***

| | *Ooredoo Qatar* | *Asiacell* | *NMTC* | *Indosat Ooredoo* | *Ooredoo Oman* | *Ooredoo Myanmar* | *Others* | *Adjustments and eliminations* | | *Total* |
|---|---|---|---|---|---|---|---|---|---|---|
| | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | | *QR.'000* |
| **Revenue** | | | | | | | | | | |
| Revenue from rendering of telecom services | 1,721,898 | 1,151,770 | 1,717,899 | 1,610,754 | 649,534 | 267,679 | 1,965 | - | | 7,121,499 |
| Sale of telecommunications equipment | 22,891 | - | 164,391 | 18,040 | 25,833 | 1,085 | 26,469 | - | | 258,709 |
| Revenue from use of assets by others | 5,491 | - | 1,420 | 62,747 | 4,065 | 3,112 | - | - | | 76,835 |
| Inter-segment | 9,600 | 1,778 | 28,085 | 543 | 2,888 | 861 | 67,205 | (110,960) | (i) | - |
| **Total revenue** | **1,759,880** | **1,153,548** | **1,911,795** | **1,692,084** | **682,320** | **272,737** | **95,639** | **(110,960)** | | **7,457,043** |
| Timing of revenue recognition | | | | | | | | | | |
| At a point in time | 23,026 | - | 164,391 | 18,040 | 25,833 | 1,085 | 38,088 | (11,754) | | 258,709 |
| Over time | 1,736,854 | 1,153,548 | 1,747,404 | 1,674,044 | 656,487 | 271,652 | 57,551 | (99,206) | | 7,198,334 |
| | **1,759,880** | **1,153,548** | **1,911,795** | **1,692,084** | **682,320** | **272,737** | **95,639** | **(110,960)** | | **7,457,043** |
| **Results** | | | | | | | | | | |
| Segment profit (loss) before tax | 457,464 | 206,501 | 213,209 | 14,879 | 133,763 | (198,657) | (83,877) | (112,637) | (ii) | 630,645 |
| Depreciation and amortisation | 224,650 | 325,656 | 434,914 | 666,177 | 178,357 | 189,469 | 3,742 | 112,637 | (iii) | 2,135,602 |
| Net finance costs | 193,525 | 2,261 | 34,032 | 201,131 | 7,174 | 60,978 | (145) | - | | 498,956 |

## 25 SEGMENT INFORMATION (CONTINUED)

*For the three-month period ended 30 September 2018 (Reviewed)*

| | *Ooredoo Qatar* | *Asiacell* | *NMTC* | *Indosat Ooredoo* | *Ooredoo Oman* | *Ooredoo Myanmar* | *Others* | *Adjustments and eliminations* | | *Total* |
|---|---|---|---|---|---|---|---|---|---|---|
| | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | | *QR.'000* |
| **Revenue** | | | | | | | | | | |
| Revenue from rendering of telecom services | 1,785,535 | 1,155,446 | 1,691,074 | 1,359,003 | 666,528 | 291,235 | 24,091 | - | | 6,972,912 |
| Sale of telecommunications equipment | 94,497 | - | 200,966 | 4,539 | 16,650 | 295 | 51,415 | - | | 368,362 |
| Revenue from use of assets by others | 4,677 | - | 907 | 54,051 | 4,748 | 3,418 | - | - | | 67,801 |
| Inter-segment | 39,920 | 2,073 | 42,714 | 890 | 2,186 | 730 | 36,724 | (125,237) | (i) | - |
| **Total revenue** | 1,924,629 | 1,157,519 | 1,935,661 | 1,418,483 | 690,112 | 295,678 | 112,230 | (125,237) | | 7,409,075 |
| Timing of revenue recognition | | | | | | | | | | |
| At a point in time | 120,523 | - | 200,966 | 4,539 | 16,650 | 295 | 51,415 | (26,026) | | 368,362 |
| Over time | 1,804,106 | 1,157,519 | 1,734,695 | 1,413,944 | 673,462 | 295,383 | 60,815 | (99,211) | | 7,040,713 |
| | 1,924,629 | 1,157,519 | 1,935,661 | 1,418,483 | 690,112 | 295,678 | 112,230 | (125,237) | | 7,409,075 |
| **Results** | | | | | | | | | | |
| Segment profit (loss) before tax | 886,620 | 217,458 | 204,939 | (221,910) | 135,501 | (381,916) | (140,589) | (143,996) | (ii) | 556,107 |
| Depreciation and amortisation | 214,476 | 327,729 | 396,743 | 562,344 | 158,460 | 192,233 | 7,077 | 134,236 | (iii) | 1,993,298 |
| Net finance costs | 237,369 | 4,033 | (11,285) | 151,772 | 3,199 | 11,227 | (175) | - | | 396,140 |

## 25 SEGMENT INFORMATION (CONTINUED)

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Segment profit before tax does not include the following:

| | *For the three-month period ended 30 September* | |
|---|---|---|
| | ***2019*** | *2018* |
| | ***(Reviewed)*** | |
| | ***QR.'000*** | *QR.'000* |
| Amortisation of intangibles | **(112,637)** | (134,236) |
| Impairment of intangibles | **-** | (9,760) |
| | **(112,637)** | (143,996) |

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

**25 SEGMENT INFORMATION (CONTINUED)**

***For the nine-month period ended 30 September 2019 (Reviewed)***

| | *Ooredoo Qatar* | *Asiacell* | *NMTC* | *Indosat Ooredoo* | *Ooredoo Oman* | *Ooredoo Myanmar* | *Others* | *Adjustments and eliminations* | | *Total* |
|---|---|---|---|---|---|---|---|---|---|---|
| | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | | *QR.'000* |
| **Revenue** | | | | | | | | | | |
| Revenue from rendering of telecom services | 5,228,913 | 3,300,586 | 4,991,418 | 4,557,139 | 1,930,030 | 792,098 | 11,209 | - | | 20,811,393 |
| Sale of telecommunications equipment | 85,634 | - | 569,722 | 103,069 | 51,063 | 3,800 | 117,525 | - | | 930,813 |
| Revenue from use of assets by others | 13,970 | - | 5,352 | 183,591 | 11,194 | 8,849 | - | - | | 222,956 |
| Inter-segment | 91,879 | 8,203 | 65,079 | 1,824 | 6,543 | 2,568 | 198,319 | (374,415) | (i) | - |
| **Total revenue** | **5,420,396** | **3,308,789** | **5,631,571** | **4,845,623** | **1,998,830** | **807,315** | **327,053** | **(374,415)** | | **21,965,162** |
| Timing of revenue recognition | | | | | | | | | | |
| At a point in time | 148,010 | - | 569,722 | 103,069 | 51,063 | 3,800 | 152,770 | (97,621) | | 930,813 |
| Over time | 5,272,386 | 3,308,789 | 5,061,849 | 4,742,554 | 1,947,767 | 803,515 | 174,283 | (276,794) | | 21,034,349 |
| | **5,420,396** | **3,308,789** | **5,631,571** | **4,845,623** | **1,998,830** | **807,315** | **327,053** | **(374,415)** | | **21,965,162** |
| **Results** | | | | | | | | | | |
| Segment profit (loss) before tax | 1,420,019 | 506,138 | 684,572 | (108,728) | 393,690 | (548,183) | (230,036) | (341,880) | (ii) | 1,775,592 |
| Depreciation and amortisation | 668,615 | 991,032 | 1,250,726 | 2,002,953 | 498,008 | 612,413 | 11,512 | 341,880 | (iii) | 6,377,139 |
| Net finance costs | 653,480 | 9,089 | 107,890 | 583,485 | 22,247 | 172,254 | (408) | - | | 1,548,037 |

## 25 SEGMENT INFORMATION (CONTINUED)

*For the nine-month period ended 30 September 2018 (Reviewed)*

| | *Ooredoo Qatar* | *Asiacell* | *NMTC* | *Indosat Ooredoo* | *Ooredoo Oman* | *Ooredoo Myanmar* | *Others* | *Adjustments and eliminations* | | *Total* |
|---|---|---|---|---|---|---|---|---|---|---|
| | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | *QR.'000* | | *QR.'000* |
| **Revenue** | | | | | | | | | | |
| Revenue from rendering of telecom services | 5,378,514 | 3,306,529 | 5,069,772 | 4,126,880 | 1,944,965 | 992,037 | 82,385 | - | | 20,901,082 |
| Sale of telecommunications equipment | 191,041 | - | 871,878 | 43,452 | 40,851 | 546 | 269,979 | - | | 1,417,747 |
| Revenue from use of assets by others | 14,004 | - | 2,656 | 173,919 | 15,253 | 6,550 | - | - | | 212,382 |
| Inter-segment | 237,963 | 8,460 | 123,824 | 3,311 | 5,367 | 1,887 | 111,996 | (492,808) | (i) | - |
| **Total revenue** | 5,821,522 | 3,314,989 | 6,068,130 | 4,347,562 | 2,006,436 | 1,001,020 | 464,360 | (492,808) | | 22,531,211 |
| Timing of revenue recognition | | | | | | | | | | |
| At a point in time | 389,406 | - | 871,878 | 43,452 | 40,851 | 546 | 269,979 | (198,365) | | 1,417,747 |
| Over time | 5,432,116 | 3,314,989 | 5,196,252 | 4,304,110 | 1,965,585 | 1,000,474 | 194,381 | (294,443) | | 21,113,464 |
| | 5,821,522 | 3,314,989 | 6,068,130 | 4,347,562 | 2,006,436 | 1,001,020 | 464,360 | (492,808) | | 22,531,211 |
| **Results** | | | | | | | | | | |
| Segment profit (loss) before tax | 1,724,233 | 624,998 | 649,207 | (377,637) | 390,347 | (832,593) | (69,517) | (415,548) | (ii) | 1,693,490 |
| Depreciation and amortisation | 636,402 | 1,001,645 | 1,205,886 | 1,718,875 | 455,334 | 606,428 | 21,239 | 405,788 | (iii) | 6,051,597 |
| Net finance costs | 711,147 | 16,869 | 62,397 | 462,158 | 10,396 | 30,539 | 583 | - | | 1,294,089 |

**25 SEGMENT INFORMATION (CONTINUED)**

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Segment profit before tax does not include the following:

| | ***For the nine-month period ended 30 September*** | |
|---|---|---|
| | ***2019*** | *2018* |
| | ***(Reviewed)*** | |
| | ***QR.'000*** | *QR.'000* |
| Amortisation of intangibles | **(341,880)** | (405,788) |
| Impairment of intangibles | **-** | (9,760) |
| | **(341,880)** | (415,548) |

(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 30 September 2019 and 31 December 2018.

| | ***Ooredoo Qatar*** | ***Asiacell*** | ***NMTC*** | ***Indosat Ooredoo*** | ***Ooredoo Oman*** | ***Ooredoo Myanmar*** | ***Others*** | ***Adjustments and eliminations*** | ***Total*** |
|---|---|---|---|---|---|---|---|---|---|
| | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** |
| **Segment assets (i)** | | | | | | | | | |
| **At 30 September 2019 (Reviewed)** | **14,946,865** | **9,339,990** | **20,589,565** | **17,236,164** | **4,071,237** | **6,803,879** | **3,710,496** | **8,621,843** | **85,320,039** |
| At 31 December 2018 (Audited) | 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 |

(i) Goodwill amounting to QR. 8,621,843 thousand (31 December 2018: QR 8,470,947 thousand) was not considered as part of segment assets.

## 26 FAIR VALUES OF FINANCIAL INSTRUMENTS

**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 or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the assets or liability.

The following table provides the fair value measurement hierarchy of the Group's financial asset and liabilities at 30 September 2019 and 31 December 2018:

| | ***30 September 2019 (Reviewed)*** | ***Level 1*** | ***Level 2*** | ***Level 3*** |
|---|---|---|---|---|
| | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** |
| **Assets:** | | | | |
| **Financial assets measured at fair value** | | | | |
| FVTOCI | **834,322** | **-** | **216,020** | **618,302** |
| FVTPL | **89,217** | **1,647** | **87,567** | **3** |
| Derivative financial instruments | **592** | **-** | **592** | **-** |
| **Other assets for which fair value is disclosed** | | | | |
| Trade and other receivables | **4,617,936** | **-** | **-** | **4,617,936** |
| Bank balances and cash | **12,627,483** | **-** | **-** | **12,627,483** |
| | **18,169,550** | **1,647** | **304,179** | **17,863,724** |
| **Liabilities:** | | | | |
| **Other financial liability measured at fair value** | | | | |
| Derivative financial instruments | **92,112** | **-** | **92,112** | **-** |
| Cash settled share-based payments | **185,850** | **-** | **185,850** | **-** |
| **Other financial liability for which fair value is disclosed** | | | | |
| Loans and borrowings | **33,015,965** | **21,198,003** | **11,817,962** | **-** |
| | **33,293,927** | **21,198,003** | **12,095,924** | **-** |

| | *31 December 2018 (Audited)* | *Level 1* | *Level 2* | *Level 3* |
|---|---|---|---|---|
| | *QR.'000* | *QR.'000* | *QR.'000* | *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 | - |
| Cash settled share-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 | - |
| | 37,096,816 | 21,693,684 | 15,403,132 | - |

There were no transfers among Levels 1, 2, and 3 for the nine-month period ended 30 September 2019 and for the year ended 31 December 2018.

## 27 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 7). The number of shares were adjusted from 320,320,000 as at 30 September 2018 to 3,203,200,000 whereas EPS was adjusted from QR. 1.26 for the three-month period ended 30 September 2018, and QR. 3.41 for the nine-month period ended 30 September 2018, to QR. 0.13 and QR. 0.34, respectively. The share split also impacted the EPS upon transition to IFRS 16 (Note 3a).

## 28 EVENT AFTER THE REPORTING DATE

On 14 October 2019, one of the Group's subsidiaries signed a Sales and Purchase Agreement for the sale of 3,100 telecommunication towers, with a total transaction amount of QR. 1,644 million. The aforementioned subsidiary would simultaneously enter into a 10-year lease with each buyer for space on the sale of towers upon closing of transaction. The transaction is subject to customary closing conditions, including shareholders' approval to be obtained in Extraordinary General Meetings, which will be held on 21 November 2019.

## 29 RESTATEMENT OF COMPARATIVE INFORMATION

Certain comparative information has been restated in order to account for the amendments and changes in relation to the initial application of IFRS 15 and IFRS 9. The restatement impacted the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2018.

| | ***Adjusted balance as at 1 January 2018 (As previously reported)*** | ***Restatement*** | ***Adjusted balance as at 1 January 2018 (Restated)*** |
|---|---|---|---|
| | ***QR.'000*** | ***QR.'000*** | ***QR.'000*** |
| Retained earnings | **12,266,258** | **64,094** | **12,330,352** |
| Non-controlling interests | **6,504,261** | **6,687** | **6,510,948** |