

Ooredoo Q.P.S.C.
Doha – Qatar

Consolidated Financial Statements And
Independent Auditor's Report
For The Year Ended
31 December 2021

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

CONTENTS	PAGE(S)
<i>Independent auditor's report</i> _____	1-7
<i>Consolidated statement of profit or loss</i> _____	8
<i>Consolidated statement of comprehensive income</i> _____	9
<i>Consolidated statement of financial position</i> _____	10-11
<i>Consolidated statement of changes in equity</i> _____	12-13
<i>Consolidated statement of cash flows</i> _____	14-15
<i>Notes to the consolidated financial statements</i> _____	16-98



Independent auditor's report to the shareholders of Ooredoo Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ooredoo Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year ended 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2021
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Our audit approach

Overview

Key audit matters

- Revenue recognition and related complex IT systems.
- Carrying value of cash generating units, including goodwill.
- Accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

PricewaterhouseCoopers – Qatar Branch, P.O. Box: 6689, Doha, Qatar.

Ministry of Commerce and Industry License number 6 / Qatar Financial Markets Authority License number 120155

T: +974 4419 2777, F: +974 4467 7528, www.pwc.com/me

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.

<i>Key Audit matter</i>	<i>How our audit addressed the Key audit matter</i>
<p><i>Revenue recognition and related complex IT systems</i></p> <p>The Group reported revenue of QR. 29,899,742 thousand from telecommunication related activities.</p> <p>We considered this area to be a matter of most significance, as there is an inherent risk around the recognition of revenue in telecommunication services given that revenue is processed by complex IT systems involving large volumes of data with a combination of different products, services, and related prices. In addition, the application of the revenue accounting standard is complex and involves several key judgements and estimates. This resulted in a significant portion of our audit effort directed towards this area and related IT systems.</p> <p>Refer to the following notes to the consolidated financial statements for detail:</p> <ul style="list-style-type: none">• Note 3: Significant accounting policies• Note 4: Revenue• Note 41: Significant accounting judgements and, estimates	<p>We performed audit procedures over this significant risk area, which included a combination of tests of controls and substantive procedures as described below:</p> <ul style="list-style-type: none">• We obtained an understanding of the various significant revenue streams and identified the relevant controls, IT systems, interfaces and reports.• We assessed the Group's revenue accounting policies, including the key judgments and estimates applied by management in consideration of the requirements of IFRS 15.• We placed reliance on the Group's IT systems and key internal controls. We involved our internal Information Technology specialists to assist us with testing the IT general controls and application controls of IT systems connected with the processing of transactions associated with significant revenue streams.• We performed automated and manual controls testing and substantive procedures, to verify accuracy and occurrence of revenue. This included testing the end-to-end reconciliations from data records extracted from source systems to the billing systems and to the general ledger.• We used data analytic tools to identify revenue related manual journals posted to the general ledger and traced them to source systems.• We performed analytical procedures and evaluated underlying source documentation to test the completeness, accuracy and validity of the postings, including those journals we considered unusual in nature.• We tested calls using various parameters to ascertain the instances will accurately be processed through the network elements and until recognition.• We also assessed the adequacy of the Group's disclosures in respect to revenue.

Carrying value of cash generating units, including goodwill

The Group's net assets include goodwill at the reporting date with a carrying value of QAR 5,175,488 thousand. International Accounting Standards (IAS) 36 Impairment of Assets requires that goodwill acquired in a business combination to be tested for impairment at least annually. In addition, some of the businesses that these balances relate to operate in countries experiencing political instability and/or difficult economic conditions. There is a potential risk that these businesses may not trade in line with expectations and forecasts, resulting in an impairment. The Group's assessment of the value in use ("VIU") of its cash generating units ("CGUs") involves estimation about the future performance of the respective businesses. In particular, the determination of the VIUs is sensitive to the significant assumptions of projected earnings before interest, taxes, depreciation and amortization (EBITDA) growth, long-term growth rates, and discount rates. As a result of the impairment tests performed, an impairment of goodwill and non-current assets amounting to QAR 2,252 million was recognised during the year ended 31 December 2021 in relation to the Group's operations in Myanmar.

We considered the Group's impairment assessment to be a matter of most significance to the current year audit due to the significant judgements and assumptions made by management in performing the impairment assessments.

Refer to the following notes to the consolidated financial statements for detail:

- Note 41: Significant accounting judgements and estimates;
- Note 47: Impact of COVID-19; and
- Note 13: Intangible assets, goodwill and long-term prepayments.

We performed audit procedures over this significant risk area, which included a combination of tests of controls and substantive procedures as described below:

- We obtained an understanding of the business process for the impairment assessment, identifying the relevant internal controls and testing their design, implementation, and operating effectiveness of controls over the impairment process.
- We tested the mathematical accuracy of the valuation models used by management. We also assessed the appropriateness of the valuation methodology (discounted cash flows model) applied by management, with reference to market practice and the requirements of International Accounting Standard (IAS) 36 Impairment of Assets.
- We assessed the reliability of the Group's budgets included in the business plans (which form the basis of the cash flow forecasts), by comparing current period budgets to actual results and evaluating differences noted against underlying documentation and explanations obtained from management. We also agreed revenue and (EBITDA) used to calculate cash flow forecasts to approved budgets and/or business plans.
- We utilised internal valuations specialists at the Group and component levels (where deemed necessary) to support us in assessing the assumptions and methodology used by management, and in particular, we independently calculated the weighted average cost of capital and terminal growth rates for each significant cash generating unit.
- We performed sensitivity analyses to determine the changes in key assumptions, namely, discount rates, terminal growth rates and forecast cash flows that would result in an impairment. We considered whether such changes were reasonably likely.
- We also assessed the adequacy of the related disclosures provided in Note 13 to the consolidated financial statements, in particular the sensitivity disclosures in relation to reasonably possible changes in assumptions that could result in impairment.

Accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in

The Group operates across multiple tax and regulatory jurisdictions and due to the inherent nature of exposures, rulings issued, assessments by tax and regulatory authorities and litigation in certain markets, the Group is exposed to various tax, legal and regulatory matters.

In accounting for these matters, management applies significant judgment in estimating the provisions and related disclosures in accordance with IFRS.

We considered the accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in to be a matter of most significance to the current year's audit due to the magnitude, complexity and nature of these exposures, and that a significant level of management judgement is required in interpreting specific legislation, regulatory provisions or practices to determine whether a liability is required to be recognised or a contingent liability to be disclosed.

Refer to the following notes to the consolidated financial statements for detail:

- Note 37: Commitments, contingent liabilities and litigations;
- Note 41: Significant accounting judgements and estimates; and
- Note 47: Impact of COVID-19.

In response to the significant risk associated with the accounting treatment of uncertain tax exposures, regulatory and pending litigation, we performed the following procedures:

- We obtained an understanding of the Group's policies in addressing tax, legal and regulatory requirements.
- We assessed the adequacy of the design, implementation, and operating effectiveness of controls over legal, regulatory, and tax registers, which includes the type of claim, amount, provision, and calculation of net exposure.
- We held discussions with the Group's tax, legal and regulatory teams to evaluate management's assessment of the potential outcome of significant exposures and we also discussed with management the facts and circumstances surrounding the significant exposures of the Group in order to evaluate the reasonableness of management's conclusions.
- We held discussions and reviewed reporting deliverables from our component audit teams in relation to significant exposures in overseas subsidiaries. Our component teams also utilised relevant local tax and/or legal experts as necessary in arriving at their conclusions.
- We obtained and reviewed external legal and tax opinions, legal confirmations and other relevant documents supporting management's conclusions on these matters. Where necessary, we held discussions with management's legal department regarding material cases.
- With the support of our component audit teams, we evaluated in-country management's tax, legal and regulatory exposures assessment reports for consistency with reports prepared by Group management.
- We also assessed the adequacy of the related disclosures provided in Note 37 to the consolidated financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Annual Report (but 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 conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As disclosed in Note 1 to the consolidated financial statements, during the year Law Number 8 of 2021 came into effect amending certain provisions of the Qatar Commercial Companies' Law number 11 of 2015. As of the year ended 31 December 2021, the Company is in the process of completing formalities to make the required changes and also to allow for the payment of fixed Directors' remuneration.

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' Report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2021.

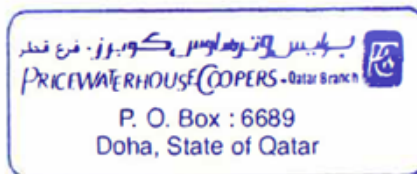
For and on behalf of PricewaterhouseCoopers – Qatar Branch
Qatar Financial Market Authority registration number 120155



Mark Menton
Auditor's registration number 364

Doha, State of Qatar

14 February 2022



Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER

	Note	2021 QR.'000	2020* QR.'000
Revenue	4	29,899,742	28,866,565
Other income	5	494,904	458,026
Network, interconnect and other operating expenses	6	(13,486,389)	(13,194,381)
Employee salaries and associated costs		(3,213,071)	(3,258,375)
Depreciation and amortisation	7	(7,974,443)	(8,245,460)
Finance costs	8	(1,994,364)	(2,149,685)
Finance income	8	190,055	254,109
Share of profit of associates and joint ventures	16	80,462	35,276
Impairment losses on financial assets	38	(230,383)	(360,775)
Impairment losses on goodwill and other non-financial assets	26	(2,400,464)	(407,184)
Gain on sale of towers	9.1	1,566,903	-
Other (losses)/gains - net	9.2	(715,569)	12,589
Royalties and fees	10	(538,066)	(385,676)
Profit before income tax		1,679,317	1,625,029
Income tax expense	19	(626,697)	(203,099)
Profit for the year		1,052,620	1,421,930
Profit attributable to:			
Shareholders of the parent		46,918	1,126,475
Non-controlling interests		1,005,702	295,455
		1,052,620	1,421,930
Basic and diluted earnings per share (Attributable to shareholders of the parent) (Expressed in QR. per share)	11	0.01	0.35

* Refer to note 48 for details regarding certain reclassifications.



Independent auditor's report is set out in pages 1-7.
The accompanying notes set out in pages 16 to 98 form an integral part of these consolidated financial statements.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

Note	2021	2020
	QR.'000	QR.'000
Profit for the year	1,052,620	1,421,930
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Effective portion of changes in fair value of cash flow hedges	6,303	(5,584)
Share of other comprehensive loss of associates and joint ventures	(2,785)	(15,757)
Foreign currency translation differences	(851,985)	(863,769)
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	(21,309)	(67,953)
Net changes in employees' benefits reserve	15,210	(29,956)
Other comprehensive loss - net of tax	(854,566)	(983,019)
Total comprehensive income for the year	198,054	438,911
Total comprehensive income attributable to:		
Shareholders of the parent	(725,623)	464,681
Non-controlling interests	923,677	(25,770)
	198,054	438,911



Independent auditor's report is set out in pages 1-7.

The accompanying notes set out in pages 16 to 98 form an integral part of these consolidated financial statements.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2021 QR.'000	2020* QR.'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	14,868,664	26,120,103
Intangible assets, goodwill and long-term prepayments	13	18,088,422	26,454,938
Right-of-use assets	14	2,860,655	6,710,353
Investment properties	15	133,960	46,581
Investment in associates and joint ventures	16	1,646,154	1,695,507
Financial assets – equity instruments	17	686,078	789,007
Other non-current assets	18	184,744	777,742
Deferred tax assets	19	365,551	643,104
Contract costs	20	111,897	151,431
Total non-current assets		38,946,125	63,388,766
Current assets			
Inventories	21	364,994	397,802
Contract costs	20	181,287	196,958
Trade and other receivables	22	5,300,765	7,783,113
Bank balances and cash	23	11,670,454	15,678,488
		17,517,500	24,056,361
Assets classified as held for sale	46	20,893,903	291,934
Total current assets		38,411,403	24,348,295
Total assets		77,357,528	87,737,061
EQUITY AND LIABILITIES			
EQUITY			
Share capital	24	3,203,200	3,203,200
Legal reserve	25	12,434,282	12,434,282
Fair value and other reserves	25	393,453	410,925
Employees' benefits reserve	25	(5,583)	(11,273)
Translation reserve	25	(8,634,620)	(7,869,693)
Other statutory reserves	25	1,326,968	1,304,333
Retained earnings		12,504,113	13,277,770
Equity attributable to shareholders of the parent		21,221,813	22,749,544
Non-controlling interests		5,186,715	5,451,279
Total equity		26,408,528	28,200,823

* Refer to note 48 for details regarding certain reclassifications.



Independent auditor's report is set out in pages 1-7.
The accompanying notes set out in pages 16 to 98 form an integral part of these consolidated financial statements.

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER

	Note	2021 QR.'000	2020* QR.'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	28	18,943,487	24,325,514
Employees' benefits	29	572,093	757,163
Lease liabilities	32	3,557,607	6,263,940
Deferred tax liabilities	19	-	301,438
Other non-current liabilities	30	913,591	2,550,753
Contract liabilities	33	9,972	8,247
Total non-current liabilities		23,996,750	34,207,055
Current liabilities			
Loans and borrowings	28	824,968	5,469,301
Lease liabilities	32	629,569	1,096,463
Trade and other payables	31	8,943,056	15,333,582
Deferred income	27	1,264,377	2,154,890
Contract liabilities	33	46,748	192,456
Income tax payable	19	320,220	1,082,491
		12,028,938	25,329,183
Liabilities directly associated with assets held for sale	46	14,923,312	-
Total current liabilities		26,952,250	25,329,183
Total liabilities		50,949,000	59,536,238
Total equity and liabilities		77,357,528	87,737,061

* Refer to note 48 for details regarding certain reclassifications.



Faisal Bin Thani Al Thani
Chairman



Nasser Mohammed Marafih
Deputy Chairman



Independent auditor's report is set out in pages 1-7.

The accompanying notes set out in pages 16 to 98 form an integral part of these consolidated financial statements.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the parent							Total	Non – controlling interests	Total equity
	Share capital	Legal reserve	Fair value and other reserves	Employees' benefits reserve	Translation reserve	Other statutory reserves	Retained earnings			
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
At 1 January 2020	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
Profit for the year	-	-	-	-	-	-	1,126,475	1,126,475	295,455	1,421,930
Other comprehensive loss	-	-	(89,147)	(17,248)	(555,399)	-	-	(661,794)	(321,225)	(983,019)
Total comprehensive income/ (loss) for the year	-	-	(89,147)	(17,248)	(555,399)	-	1,126,475	464,681	(25,770)	438,911
Realized gain on FVTOCI investment recycled to retained earnings	-	-	(50,737)	-	-	-	50,737	-	-	-
Transactions with shareholders of the parent, recognised directly in equity										
Dividends (Note 34)	-	-	-	-	-	-	(800,800)	(800,800)	-	(800,800)
Transfer to other statutory reserves	-	-	-	-	-	4,844	(4,844)	-	-	-
Transactions with non-controlling interests, recognised directly in equity										
Change in non-controlling interest of associate	-	-	-	-	-	-	639	639	-	639
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(500,667)	(500,667)
Transactions with non-owners of the Group, recognised directly in equity										
Transfer to employee association fund	-	-	-	-	-	-	(1,587)	(1,587)	(301)	(1,888)
Transfer to social and sports fund	-	-	-	-	-	-	(40,358)	(40,358)	-	(40,358)
At 31 December 2020	3,203,200	12,434,282	410,925	(11,273)	(7,869,693)	1,304,333	13,277,770	22,749,544	5,451,279	28,200,823

Independent auditor's report is set out in pages 1-7.

The accompanying notes set out in pages 16 to 98 form an integral part of these consolidated financial statements



Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to shareholders of the parent									
	Share capital QR.'000	Legal reserve QR.'000	Fair value and other reserves QR.'000	Employees' benefits 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 2021	3,203,200	12,434,282	410,925	(11,273)	(7,869,693)	1,304,333	13,277,770	22,749,544	5,451,279	28,200,823
Profit for the year	-	-	-	-	-	-	46,918	46,918	1,005,702	1,052,620
Other comprehensive income/ (loss)	-	-	(17,472)	9,858	(764,927)	-	-	(772,541)	(82,025)	(854,566)
Total comprehensive income/ (loss) for the year	-	-	(17,472)	9,858	(764,927)	-	46,918	(725,623)	923,677	198,054
Employee benefit reserve recycled to retained earnings	-	-	-	(4,168)	-	-	4,168	-	-	-
Transactions with shareholders of the parent, recognised directly in equity										
Dividend (Note 34)	-	-	-	-	-	-	(800,800)	(800,800)	-	(800,800)
Transfer to other statutory reserves	-	-	-	-	-	22,635	(22,635)	-	-	-
Transactions with non-controlling interests, recognised directly in equity										
Change in non-controlling interest of associate	-	-	-	-	-	-	1,348	1,348	-	1,348
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,187,926)	(1,187,926)
Transactions with non-owners of the Group, recognised directly in equity										
Transfer to employee association fund	-	-	-	-	-	-	(1,666)	(1,666)	(315)	(1,981)
Transfer to social and sports fund	-	-	-	-	-	-	(990)	(990)	-	(990)
At 31 December 2021	3,203,200	12,434,282	393,453	(5,583)	(8,634,620)	1,326,968	12,504,113	21,221,813	5,186,715	26,408,528

Independent auditor's report is set out in pages 1-7.

The accompanying notes set out on pages 16 to 98 form an integral part of these consolidated financial statements.



Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Note	2021	2020*
		QR.'000	QR.'000
Cash flows from operating activities			
Profit before income tax		1,679,317	1,625,029
Adjustments for:			
Depreciation and amortisation	7	7,974,443	8,245,460
Dividend income	5	(50,305)	(68,501)
Impairment losses on financial assets	38	230,383	360,775
Impairment losses on goodwill and other non-financial assets	26	2,400,464	407,184
Gain on disposal of investments at FVTPL		-	26
Changes in fair value of investments at FVTPL		(18,040)	(10,733)
Gain on disposal of non financial assets	9.1/9.2	(1,682,038)	(142,789)
Gain on disposal of an investment in associate		-	(21,407)
Gain on deconsolidation of a subsidiary	9.2	(250,544)	-
Finance costs	8	1,994,364	2,149,685
Finance income	8	(190,055)	(254,109)
Provision for employees' benefits	29	118,655	135,380
Share of results of associates and joint ventures	16	(80,462)	(35,276)
Operating profit before working capital changes		12,126,182	12,390,724
Working capital changes:			
Changes in inventories	21	28,180	159,503
Changes in trade and other receivables	22	214,267	419,048
Changes in contract costs	20	33,812	(5,180)
Changes in trade and other payables	31	(1,541,663)	901,939
Changes in contract liabilities	33	(94,304)	71,454
Cash generated from operations		10,766,474	13,937,488
Interest paid	28	(1,935,825)	(1,961,274)
Employees' benefits paid	29	(183,173)	(161,355)
Income tax paid	19	(672,248)	(704,088)
Net cash generated from operating activities		7,975,228	11,110,771
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(4,736,420)	(5,626,943)
Acquisition of intangible assets	13	(1,224,986)	(562,173)
Additional investments in associates		(809)	(2,686)
Acquisition of financial assets - equity instruments		-	(8,011)
Proceeds from disposal of non financial assets	9.1/9.2	2,813,609	343,939
Disposal of available for sale investments		1,507	65,817
Proceeds from disposal of an investment in associate		-	79,872
Released restricted deposits		324,100	110,124
Additions to restricted deposits		(149,285)	(185,790)
Net movement in short-term deposits		(180,047)	76,511
Movement in other non-current assets		(55,971)	(14,452)
Dividends received from an associate and a joint venture		18,854	64,186
Other dividends received		50,305	68,501
Interest received		189,382	253,360
Net cash used in investing activities		(2,949,761)	(5,337,745)

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER

	Note	2021 QR.'000	2020* QR.'000
Cash flows from financing activities			
Proceeds from loans and borrowings		10,115,417	8,244,131
Repayments of loans and borrowings		(15,525,788)	(9,205,411)
Principal element of lease payments	32	(1,084,254)	(1,280,481)
Additions to deferred financing costs		(78,396)	(3,614)
Dividends paid to shareholders of the parent	34	(800,800)	(800,800)
Dividends paid to non-controlling interests in subsidiaries		(1,187,926)	(500,667)
Movement in other non-current liabilities		(537,497)	(344,326)
Net cash used in financing activities		(9,099,244)	(3,891,168)
Net (decrease)/increase in cash and cash equivalents		(4,073,777)	1,881,858
Cash and cash equivalents at the beginning of the year		14,609,483	13,353,881
Effect of exchange rate fluctuations		1,108,604	(626,256)
Cash and cash equivalents at the end of the year	23	11,644,310	14,609,483

* Refer to note 48 for details regarding certain reclassifications.



Independent auditor's report is set out in pages 1-7.

The accompanying notes set out in pages 16 to 98 form an integral part of these consolidated financial statements.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

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) 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.

During the year, the Qatar Commercial law number 11 of 2015 has been amended by Law number 8 of 2021. The management has assessed the compliance of the Company and the required changes to the Article of the Association will be amended in the upcoming Extraordinary General Assembly Meeting.

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 Parent Company of the Group. Qatar Holding L.L.C. is controlled by Qatar Investment Authority – the sovereign wealth fund of the State of Qatar – (the “Ultimate parent”).

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 2021 were authorised for issuance in accordance with a resolution of the Board of Directors of the Group on 14 February 2022.

2. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (“IASB”), IFRS Interpretations Committee (IFRIC) and applicable requirements of the laws in Qatar.

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 (“FVTPL”), are measured at fair value;
- Derivative financial instruments are measured at fair value;
- Liabilities for long term incentive points-based payments arrangements are measured at FVTPL; and
- Assets classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell.

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 39.

The consolidated 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

Judgments, estimates and risk management

The preparation of the consolidated financial statements 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. The significant judgments made by management in applying the Group's accounting policies, the key sources of estimation uncertainty and financial risk management objectives and policies are disclosed in 38.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of Ooredoo Q.P.S.C. and its subsidiaries. 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 GOING CONCERN

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 BASIS OF CONSOLIDATION

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

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

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

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 BASIS OF CONSOLIDATION (CONTINUED)

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 intra-group 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 the 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 considerations that are not within the scope of IFRS 9 are measured at fair value at each reporting date with changes in fair value 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 reassesses whether it correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

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

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 BASIS OF CONSOLIDATION (CONTINUED)

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 the 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 the equity method of accounting.

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 BASIS OF CONSOLIDATION (CONTINUED)

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:

Name of subsidiary	Principal activity	Country of incorporation	Group effective shareholding percentage as at 31 December	
			2021	2020
Ooredoo Investment Holding W.L.L	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 W.L.L	Investment company	Bahrain	100%	100%
West Bay Holding W.L.L	Investment company	Bahrain	100%	100%
Ooredoo Asian Investments Pte. Ltd.	Investment company	Singapore	100%	100%
Al Dafna Holding W.L.L	Investment company	Bahrain	100%	100%
Al Khor Holding W.L.L	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 W.L.L	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 W.L.L	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 Algeria 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%	39.0%

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 BASIS OF CONSOLIDATION (CONTINUED)

(i) TRANSACTIONS ELIMINATED ON CONSOLIDATION (CONTINUED)

Name of subsidiary	Principal activity	Country of incorporation	Group effective shareholding percentage as at 31 December	
			2021	2020
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 W.L.L	Investment company	Bahrain	100%	100%
Laffan Holding W.L.L	Investment company	Bahrain	100%	100%
Zekreet Holding W.L.L	Investment company	Bahrain	100%	100%
Ooredoo Myanmar Ltd.	Telecommunication company	Myanmar	100%	100%
Al Wokaer Holding W.L.L	Investment company	Bahrain	100%	100%
Al Wakrah Holding W.L.L	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 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%
Ooredoo Financial Services 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%
AlAbraj Alaoula for General Contracting W.L.L	Contracting Company	Qatar	100%	-
Eurl Mediterranee Prestations De Services	Contracting Company	Algeria	74.4%	-
Gulf Towers S.P.C	Contracting and Maintenance Company	Oman	55.0%	-
Kuwait Towers W.L.L	Trading and Contracting Company	Kuwait	92.1%	-
Tunisia Towers Infracore L.L.C	Advisory services on telecommunications	Tunisia	84.1%	-

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 BASIS OF CONSOLIDATION (CONTINUED)

(I) TRANSACTIONS ELIMINATED ON CONSOLIDATION (CONTINUED)

Name of subsidiary	Principal activity	Country of incorporation	Group effective shareholding percentage as at 31 December	
			2021	2020
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 (v)	Telecommunication company	Indonesia	-	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%

(i) The Group holds an effective 39% (2020: 39%) of Duqm Data Centre SAOC and has established control over the entity, as it can demonstrate 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. This exposes the Group to variable returns from its investment and gives the Group the 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 an effective 45.4% (2020: 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 holding 49.3% of the voting interests in Wataniya Palestine Mobile Telecommunications Public Shareholding Company (“Ooredoo Palestine”) along with its right to appoint the majority of the board of directors at all times, where major decisions are taken with simple majority. NMTC has also entered into an arrangement with the other majority shareholder, where NMTC is able to unilaterally make decisions over the relevant activities of Ooredoo Palestine. This exposes the Group to variable returns and gives the Group the ability to affect those returns through its power over Ooredoo Palestine.

(iii) The Group incorporated Raywood Inc (“Raywood”), a special purpose entity registered in Cayman Islands with 100% (2020: 100%) voting interest held by the Group to carry out investment activities in Iraq. Raywood acquired a 49% voting interest in 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 Group 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 holding more than 50% of the voting interests in these companies. This exposes the Group to variable returns from their investment and gives the Group the ability to affect those returns through its power over them. Hence, these companies have been considered as subsidiaries of the Group.

(v) Refer to note 37 for details regarding the de-consolidation.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

1. New and amended standards adopted by the Group

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in these consolidated financial statements:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>									
Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021									
<p>In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.</p> <p>The Phase 2 amendments provide the following reliefs:</p> <ul style="list-style-type: none">• When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.• The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. <p>The Group has performed exercise to quantify the impact of the amendments as below:</p> <p>Loans and borrowings:</p> <p>The following table contains details of all of the financial instruments that Entity A holds at 31 December 2021 which reference USD LIBOR and have not yet transitioned to SONIA or an alternative interest rate benchmark:</p> <table border="1"><thead><tr><th></th><th>Carrying Value at 31 December 2021</th><th>Have yet to transition to an alternative benchmark interest rate as at 31 December 2021:</th></tr></thead><tbody><tr><td>Non-derivative assets and liabilities exposed to USD LIBOR measured at amortised cost</td><td>QAR.'000</td><td>QAR.'000</td></tr><tr><td>Loans and Borrowings</td><td>19,768,455</td><td>4,259,414</td></tr></tbody></table> <p>Hedge accounting:</p> <p>For the year ended 31 December 2021, the Group has adopted the following hedge accounting reliefs provided by 'phase 2' of the amendments The Group does not have any financial instrument affected by the one-week and two-month LIBOR that were discontinued in 2021. Overnight, 1-month, 3-month, 6-month, and 12-month maturities will continue to be published through June 2023. The Group will be embarking upon a process over the course of 2022 to replace LIBOR linked contracts with alternative benchmarks.</p>		Carrying Value at 31 December 2021	Have yet to transition to an alternative benchmark interest rate as at 31 December 2021:	Non-derivative assets and liabilities exposed to USD LIBOR measured at amortised cost	QAR.'000	QAR.'000	Loans and Borrowings	19,768,455	4,259,414	
	Carrying Value at 31 December 2021	Have yet to transition to an alternative benchmark interest rate as at 31 December 2021:								
Non-derivative assets and liabilities exposed to USD LIBOR measured at amortised cost	QAR.'000	QAR.'000								
Loans and Borrowings	19,768,455	4,259,414								

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

<p>The Group does not have material exposure from hedge</p> <p>Financial instruments measured using amortised cost measurement and derivatives:</p> <p>The Group does not have material exposure to IBOR reform from other financial instruments and derivatives.</p>	
<p>COVID-19-related Rent Concessions – Amendments to IFRS 16</p>	<p>1 June 2020/1 April 2021</p>
<p>In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.</p> <p>The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:</p> <ul style="list-style-type: none">a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); andc) There is no substantive change to other terms and conditions of the lease. <p>The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.</p> <p>In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020).</p> <p>Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.</p>	

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 CHANGES TO SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretations and amendments which will be adopted in the Group's consolidated financial statement as and when they are applicable.

3.4 REVENUE

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

Recognition of 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.

The Group principally obtains revenue from following key segments:

Mobile services

Mobile service contracts typically consist of specific allowances for airtime usage, messaging, 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 REVENUE (Continued)

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 routers and/or set-top boxes. Similar to mobile service contracts, fixed service revenue with locked equipment is 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 smartphones, tablets, Mi-Fis and other similar devices 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 the sale of unlocked devices is recognized at a point in time upon transfer of control to the customer.

Interconnection service

Revenue from the interconnection of voice and data traffic with other telecommunications operators is recognised over time as and when the transit occurred 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. The revenue is recognized over the period as and when these services are provided.

Customer loyalty schemes

The Group has concluded that: (i) it is acting as a principal when the customer loyalty points are redeemed through the Group's own services or products and recognizes revenue on a gross basis; and (ii) is acting as an agent on customer loyalty scheme arrangements which are redeemed through its partners where revenue is recognised on a net basis.

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

Value-added services

The Group has offerings where it provides customers with additional content, such as music and video streaming and SMS services, as Value-Added Services (VAS). For these types 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 where they have concluded they are an agent.

Connection fees

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

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 REVENUE (Continued)

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 primarily relates to the Group's right to 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 cost 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 cards 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 utilisation or expiration of prepaid cards (expiration typically being 1 to 2 years from the issuance date).

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.

Significant financing component

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

Contract assets and liabilities

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

Discounts and promotions

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

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 LEASES

A. Definition of leases

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

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

B. As a lessee

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate over a period of lease term. The incremental borrowing rate is the rate of interest that the Group would have to pay, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset, in a similar economic environment. 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 LEASES (CONTINUED)

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

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

C. As a lessor

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 into 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 into finance lease arrangements for optical fibre 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.

3.6 OTHER GAINS / (LOSSES)

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

Fair value gains

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

Foreign exchange gain and losses

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.7 TAXES

Some of the subsidiaries, 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 TAXES (CONTINUED)

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 unutilised tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, 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.

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 relate 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 FINANCE COST

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

3.9 FINANCE INCOME

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

3.10 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement:

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

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

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

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

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 the 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 properties

When the use of property changes from owner-occupied to investment properties, 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 capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation

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

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

Derecognition

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

3.11 BORROWING COSTS

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

3.12 GOVERNMENT GRANTS

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.13 INTANGIBLE ASSETS, GOODWILL AND LONG TERM PREPAYMENTS

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 INTANGIBLE ASSETS, GOODWILL AND LONG TERM PREPAYMENTS (CONTINUED)

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 capitalized 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 capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred. Capitalized development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Indefeasible rights of use (“IRU” - Long term prepayments)

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 long term prepayments based on the specific contractual rights.

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.

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 INTANGIBLE ASSETS, GOODWILL AND LONG TERM PREPAYMENTS (CONTINUED)

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

	<i>License costs</i>	<i>Customer contracts and related customer relationship</i>	<i>Brand / Trade names</i>	<i>IRU*, software and other intangibles</i>
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

* IRUs treated as long term prepayments and generally amortised over (15) years.

3.14 INVESTMENT PROPERTIES

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 purposes. Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. 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 a 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 properties 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 properties are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

3.15 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 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 IFRS 16 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.

3.16 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 the consolidated statement of profit or loss.

3.17 FINANCIAL ASSETS

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

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

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

Classification of financial assets

(i) Debt instruments designated at amortised cost

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

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

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 FINANCIAL ASSETS (CONTINUED)

Amortised cost and effective interest rate method

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost 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.

(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 and other reserves. The cumulative gain or loss will not be reclassified to consolidated statement of profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment.

(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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 FINANCIAL ASSETS (CONTINUED)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other (Losses) / Gains – net' line item (note 9);
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Other (Losses) / Gains – net' line item (note 9). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income – net' line item as part of the fair value gain or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on 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. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risks 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.

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 FINANCIAL ASSETS (CONTINUED)

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 flowrate models to analyse the historical 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;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) when the financial asset is 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

(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.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group recognises an impairment gain or loss in consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, 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 and other reserves, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 FINANCIAL ASSETS (CONTINUED)

(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.

Modification of financial assets

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among others, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination of the instrument, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase event has occurred. The Group also assesses whether the new loan or debt instrument meets the solely payments of principal and interest criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

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 the 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 and other reserves 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 and other reserves is not reclassified to consolidated statement profit or loss, but is transferred to retained earnings.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

The contractual rights to receive cash flows from the asset have expired.

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

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 FINANCIAL LIABILITIES

All financial liabilities are measured either at FVTPL or at a 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 in the consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in the consolidated statement of comprehensive income are not subsequently reclassified to the 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 the 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.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at a amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other (Losses) / Gains – net' line item in profit or loss (note 9) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 FINANCIAL LIABILITIES (CONTINUED)

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 the consolidated statement of profit or loss.

Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.19 HEDGE ACCOUNTING

The Group may designate certain derivatives as hedging instruments in respect of interest rate risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

3.20 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 issues are accounted for 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 dividends are approved by the shareholders. Dividends for the year that are approved after the reporting date of the consolidated financial statements are considered as an event after the reporting date.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 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 an anti-dilutive effect, basic and diluted EPS are stated at the same amount.

3.22 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.23 PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured as a best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Decommissioning liability

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The Group records full provision for the future costs of decommissioning for network and other assets. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related network and other assets to the extent that it was incurred by the development/ construction.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to network and other assets. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If the estimate for the revised value of network and other assets net of decommissioning provision exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss as a finance cost.

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 PROVISIONS (CONTINUED)

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 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 recognises 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on a number of factors including the number of incentive points awarded, the Group's operating performance based on predetermined targets and the Group'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.

3.24 FOREIGN CURRENCY TRANSACTIONS

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the financial reporting year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences arising on retranslation are recognised in the consolidated statement of profit or loss, except for differences arising on the retranslation of fair value through other comprehensive income which are recognised in other comprehensive income.

Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to 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 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.

3.25 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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.26 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 43 to the consolidated financial statements.

3.27 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 in the consolidated financial statements when material.

3.28 ACCOUNTING FOR LEVIES

IFRIC 21 governs the accounting for levies that do not fall within the scope of IAS 12 "Income Taxes". The group makes payments to certain regulatory bodies that are based on certain percentages of revenue and adjusted net profits from regulated activities. As such, management has assessed these payments to be in the scope of IFRIC 21, rather than IAS 12 and treated these payments as expenses in the statement of profit or loss.

3.29 ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment properties that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

4. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following revenue streams. The disclosure of revenue by streams is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see note 43).

	2021	2020
	QR.'000	QR.'000
Revenue from rendering of services	28,405,651	27,403,213
Sale of telecommunication equipment	1,385,124	1,271,023
Equipment rental revenue	108,967	192,329
	29,899,742	28,866,565

	2021	2020
	QR.'000	QR.'000
At a point in time	1,385,124	1,271,023
Overtime	28,514,618	27,595,542
	29,899,742	28,866,565

5. OTHER INCOME

	2021	2020*
	QR.'000	QR.'000
Dividend income	50,305	68,501
Rental income	45,757	31,775
Miscellaneous income (i)	398,842	357,750
	494,904	458,026

* Refer to note 48 for details regarding certain reclassifications.

(i) Miscellaneous income consists of various individually insignificant amounts.

6. NETWORK, INTERCONNECT AND OTHER OPERATING EXPENSES

	2021	2020*
	QR.'000	QR.'000
Outpayments and interconnect charges	2,508,947	2,189,702
Regulatory and related fees	2,501,557	2,488,716
Rentals and utilities	1,347,513	1,272,679
Network operation and maintenance	2,292,626	2,384,454
Cost of equipment sold and other services	2,577,267	2,620,389
Marketing costs and sponsorship	731,009	708,591
Commission on cards	655,214	693,455
Legal and professional fees	214,637	175,268
Other expenses	656,169	619,114
Provision for obsolete and slow-moving inventories	1,450	42,013
	13,486,389	13,194,381

* Refer to note 48 for details regarding certain reclassifications.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

7. DEPRECIATION AND AMORTISATION

	2021	2020
	QR.'000	QR.'000
Depreciation of property, plant and equipment	5,309,905	5,513,189
Depreciation of investment properties	13,196	11,426
Amortisation of intangible assets	1,455,566	1,503,210
Amortisation of right-of-use assets	1,195,776	1,217,635
	7,974,443	8,245,460

8. FINANCE COSTS AND FINANCE INCOME

	2021	2020*
	QR.'000	QR.'000
Finance costs		
Interest on loans and borrowings	1,165,112	1,412,699
Profit paid on Islamic financing obligations	39,068	48,808
Amortisation of deferred financing costs (Note 28)	44,274	41,398
Interest on lease liabilities	638,639	541,159
Other finance costs	107,271	105,621
Total finance cost	1,994,364	2,149,685
Finance income		
Interest income	(190,055)	(254,109)
Total finance income	(190,055)	(254,109)

* Refer to note 48 for details regarding certain reclassifications.

9.1 GAIN ON SALE OF TOWERS

	2021	2020
	QR.'000	QR.'000
Gain on sale of towers	1,566,903	-
	1,566,903	-

On 30 March 2021, Indosat Ooredoo (seller-lessee) entered into a Sales and Purchase agreement for the sale of 4,247 telecommunication towers with net carrying value amounted to QR. 0.34 billion to PT EPID Menara AssetCo, (buyer-lessor) ultimately owned by Digital Colony with net consideration of QR. 2.61 billion resulting in gain amounting to QR 1.57 billion. Furthermore, each party also entered into a lease agreement for one space each of 4,085 telecommunication towers for a 10 year period starting from the closing date of the transactions. On 18 May 2021, the Indosat Ooredoo and EPID closed the deal on the sale and leaseback transactions.

Significant judgment has been applied by management in assuming a 10-year lease term for the leased back assets. The management will continue to re-assess extension options and termination options only when a significant event or change in circumstances occurs that is within the control of Indosat Ooredoo.

9.2 OTHER (LOSSES)/ GAINS – NET

	2021	2020*
	QR.'000	QR.'000
Foreign currency (loss) / gains net	(835,273)	137,396
Change in fair value of derivatives – net	3,597	(22,374)
Gain / (loss) on investments in securities FVTPL	18,040	10,733
Gain / (loss) on disposal of non-financial assets	115,135	142,789
Gain on deconsolidation of a subsidiary (i)	250,544	-
Other miscellaneous expenses	(267,612)	(255,955)
	(715,569)	12,589

* Refer to note 48 for details regarding certain reclassifications.

(i) Refer to note 37 for details regarding the de-consolidation of IM2.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

10. ROYALTIES AND FEES

	2021	2020
	QR.'000	QR.'000
Royalty and industry fees (i), (ii)	532,465	381,224
Other statutory fees (iii)	5,601	4,452
	538,066	385,676

(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 which is accounted for under IFRIC 21 QR. 218,335 (2020: QR. 235,401).

(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 which is accounted for under IFRIC 21 QR. 314,130 (2020: QR. 145,823).

(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.

Other regulatory and related fees are presented in note 6 which are calculated based on revenue from regulated activities.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

11. BASIC AND DILUTED EARNINGS PER SHARE

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

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

	2021	2020
	'000	'000
Profit for the year attributable to shareholders of the parent (QR.)	46,918	1,126,475
Weighted average number of shares	3,203,200	3,203,200
Basic and diluted earnings per share (QR.)	0.01	0.35

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

12. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings</i>	<i>Exchange and networks assets</i>	<i>Subscriber apparatus and other equipment</i>	<i>Capital work in progress</i>	<i>Total</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
Cost					
At 1 January 2020	6,980,918	61,251,303	7,740,453	3,359,216	79,331,890
Additions	42,741	938,878	74,532	4,570,792	5,626,943
Transfers	203,288	3,949,779	473,639	(4,626,706)	-
Disposals	(33,098)	(1,267,586)	(420,256)	(4,088)	(1,725,028)
Reclassification	90,461	(40,912)	(107)	(226,534)	(177,092)
Exchange adjustment	(161,780)	(1,794,979)	(24,734)	(64,806)	(2,046,299)
At 31 December 2020	7,122,530	63,036,483	7,843,527	3,007,874	81,010,414
De consolidation of a subsidiary	(18,757)	(252,522)	(68,931)	(1,055)	(341,265)
Additions	12,869	1,132,464	133,488	3,457,599	4,736,420
Transfers	221,921	3,371,553	416,645	(4,010,119)	-
Disposals	(400,955)	(551,747)	(110,341)	-	(1,063,043)
Reclassification	(165,878)	58,594	(58,594)	(126,152)	(292,030)
Assets classified for sale	(3,782,714)	(26,444,115)	(2,518,718)	(292,681)	(33,038,228)
Exchange adjustment	(128,262)	(1,968,752)	(329,667)	(65,585)	(2,492,266)
At 31 December 2021	2,860,754	38,381,958	5,307,409	1,969,881	48,520,002
Accumulated depreciation					
At 1 January 2020	4,081,035	41,947,267	6,258,549	-	52,286,851
Impairment during the year	95,084	-	-	-	95,084
Provided during the year	328,241	4,490,105	694,843	-	5,513,189
Disposals	(32,776)	(1,075,598)	(415,673)	-	(1,524,047)
Reclassification	43,317	(1,683)	1,770	-	43,40
Exchange adjustment	(39,301)	(1,461,715)	(23,154)	-	(1,524,170)
At 31 December 2020	4,475,600	43,898,376	6,516,335	-	54,890,311
De consolidation of a subsidiary	(15,734)	(141,264)	(68,556)	-	(225,554)
Provided during the year	329,604	4,387,813	592,488	-	5,309,905
Impairment during the year (i)	913	723,541	9,085	-	733,539
Disposals	(274,249)	(474,765)	(99,491)	-	(848,505)
Reclassification	(65,303)	32,632	(32,632)	-	(65,303)
Assets classified for sale	(2,878,292)	(19,491,166)	(2,107,772)	-	(24,477,230)
Exchange adjustment	(93,365)	(1,276,263)	(296,197)	-	(1,665,825)
At 31 December 2021	1,479,174	27,658,904	4,513,260	-	33,651,338
Carrying value					
At 31 December 2021	1,381,580	10,723,054	794,149	1,969,881	14,868,664
At 31 December 2020	2,646,930	19,138,107	1,327,192	3,007,874	26,120,103

(i) Details about the key assumptions and the calculation of the impairment related to Myanmar are provided in note 26.

(ii) Certain property, plant and equipment amounting to QR nil (2020: 84,209 thousand) are used as collateral to secure the Group's borrowings.

(iii) Refer to note 9.1 for details regarding the sale of towers during the year.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

13. INTANGIBLE ASSETS, GOODWILL AND LONG-TERM PREPAYMENTS

	<i>Licence costs</i>	<i>Goodwill</i>	<i>Customer contracts and related customer relationship</i>	<i>Trade names</i>	<i>Software and other intangibles</i>	<i>Total</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
Cost						
At 1 January 2020	30,240,617	9,300,990	630,636	2,614,641	3,931,039	46,717,923
Additions	1,437,254	-	-	-	163,445	1,600,699
Disposals	-	-	-	-	(21,861)	(21,861)
Reclassification	-	-	-	-	226,641	226,641
Exchange adjustment	(586,995)	12,601	(4,455)	(56,176)	(53,078)	(688,103)
At 31 December 2020	31,090,876	9,313,591	626,181	2,558,465	4,246,186	47,835,299
Additions	299,009	-	-	-	108,714	407,723
Disposals	-	-	-	-	(9,390)	(9,390)
Reclassification	-	-	-	-	118,183	118,183
Assets classified as held for sale	(3,583,817)	(3,310,024)	(501,190)	(1,620,348)	(367,535)	(9,382,914)
Exchange adjustment	(1,498,602)	(198,015)	(17,269)	(44,145)	(149,606)	(1,907,637)
At 31 December 2021	26,307,466	5,805,552	107,722	893,972	3,946,552	37,061,264

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

13. INTANGIBLE ASSETS, GOODWILL AND LONG-TERM PREPAYMENTS (CONTINUED)

	<i>License costs</i>	<i>Goodwill</i>	<i>Customer contracts and related customer relationship</i>	<i>Brand/ Trade names</i>	<i>Software and other intangibles</i>	<i>Total</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
Accumulated amortisation and impairment losses						
At 1 January 2020	14,801,096	562,928	630,636	1,668,343	2,735,033	20,398,036
Amortisation	1,086,755	-	-	81,921	334,534	1,503,210
Impairment (i)	-	312,100	-	-	-	312,100
Disposals	-	-	-	-	(21,692)	(21,692)
Reclassification	-	-	-	-	423	423
Exchange adjustment	(727,982)	5,987	(4,455)	(42,234)	(43,032)	(811,716)
At 31 December 2020	15,159,869	881,015	626,181	1,708,030	3,005,266	21,380,361
Amortisation	1,044,497	-	-	80,076	330,993	1,455,566
Impairment (i)	1,085,698	-	-	-	-	1,085,698
Disposals	-	-	-	-	(8,613)	(8,613)
Reclassification	-	-	-	-	(2,899)	(2,899)
Assets classified as held for sale	(1,996,721)	(237,834)	(501,190)	(879,693)	(290,423)	(3,905,861)
Exchange adjustment	(842,143)	(13,117)	(17,269)	(24,746)	(134,135)	(1,031,410)
At 31 December 2021	14,451,200	630,064	107,722	883,667	2,900,189	18,972,842
Carrying value						
At 31 December 2021	11,856,266	5,175,488	-	10,305	1,046,363	18,088,422
At 31 December 2020	15,931,007	8,432,576	-	850,435	1,240,920	26,454,938

- (i) Details about the key assumptions and the calculation of the impairment related to Myanmar are provided in note 26
- (ii) Long term prepayments relate to payments in advance for service arrangements which generally have a terms of 15 years.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

13. INTANGIBLE ASSETS, GOODWILL AND LONG-TERM PREPAYMENTS (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:

	Carrying value 2021 QR.'000	Carrying value 2020 QR.'000
Cash generating units		
Ooredoo Kuwait	588,438	585,284
Ooredoo Algeria	1,815,044	1,804,919
Ooredoo Tunisia	2,441,712	2,564,911
Indosat Ooredoo *	-	3,144,443
Others	330,294	333,019
	5,175,488	8,432,576

* Refer to note 46 for the details of the assets classified as held for sale.

Goodwill was tested for impairment as at 31 December 2021. The recoverable amount of the CGUs was determined based on value in use calculated using cash flows projections by management covering a period of five years.

During the year, the Group has recorded an impairment loss against the Myanmar CGU 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, earnings before interest, taxes, depreciation, and amortization ("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 CGU. Discount rates are based on a weighted average cost of capital for each CGU and ranged from 7.3% to 22.1% (2020: 7.6% to 17%). In determining the appropriate discount rates for each CGU, the yield local market ten-year government bond is used, where available.

Terminal value growth rate

The business plans take into account local market considerations such as the revenues and costs associated with future customer growth, the impact of local market competition and consideration of the local macro-economic and political trading environment. The growth rate does not exceed the average long-term growth rate for the relevant markets and it ranges from 3.5% to 5.7% (2020: 3.4% to 7.5%).

Earnings Before Interest, Taxes, Depreciation, and Amortization

The cash flow forecasts for budgeted EBITDA are derived from revenue, and the related cost of sales and operating expenses. The forecasts are mainly based on past experience and management's best estimate of future trends in the market including number of customers, penetrations, average revenue per users, new products and services.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

13. INTANGIBLE ASSETS, GOODWILL AND LONG-TERM PREPAYMENTS (CONTINUED)

iii. Key Assumptions used in value in use calculations (continued)

Budgeted Capex

The cash flow forecasts for budgeted capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing enhanced voice and data products and services, and meeting the population coverage requirements of certain licenses of the Group. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets.

Long-term cash flows and working capital estimates

The Group prepares cash flow forecasts for the next five years, derived from the most recent annual business plan approved by the Board of Directors.

At 31 December 2021, the discount rate used for Ooredoo Algeria was 13.85% (2020: 13.94%) and the terminal growth rate was 5.7% (2020: 5.3%). Management considers that changes to the discount rate and the terminal growth rate could cause the carrying value of the following CGUs to exceed their recoverable amount. If the discount rate is increased by 1.5% (2020: nil) or if the terminal growth rate is decreased by 2.1% (2020: nil) with all other variables held constant, the recoverable amount would equal the carrying value.

At 31 December 2021, the discount rate used for Ooredoo Tunisia was 12.42% (2020: 11.6%) and the terminal growth rate was 5% (2020: 5.4%). Management considers that changes to the discount rate and the terminal growth rate could cause the carrying value of the following CGUs to exceed their recoverable amount. If the discount rate is increased by 1.8% (2020: 2.4%) or if the terminal growth rate is decreased by 2.4% (2020: 3.2) with all other variables held constant, the recoverable amount would equal the carrying value.

The calculation of the recoverable amount of the remaining CGUs include high headroom and management has assessed that any reasonable possible change in key assumptions in relation to these CGUs would not result in an impairment loss.

14. RIGHT-OF-USE ASSETS

	Right-of-use assets				Total
	Land and buildings	Exchange and network assets	Subscriber apparatus and other equipment	Indefeasible rights-of-use (IRU)	
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Cost					
At 1 January 2020	3,623,179	4,625,607	231,923	74,087	8,554,796
Additions	1,111,984	707,432	25,568	13,571	1,858,555
Reduction on early termination	(60,087)	(35,978)	(3,340)	(1,632)	(101,037)
Reclassification	(90,461)	40,912	-	-	(49,549)
Exchange adjustment	(21,836)	129,260	(2,747)	3,778	108,455
At 31 December 2020	4,562,779	5,467,233	251,404	89,804	10,371,220
Deconsolidation of a subsidiary	(8,465)	(3,589)	(4,687)	-	(16,741)
Additions	633,383	1,214,388	51,571	-	1,899,342
Reduction on early termination	(23,145)	(130,753)	(4,187)	-	(158,085)
Disposal during the year	(326,584)	-	-	-	(326,584)
Reclassification	(42,967)	7,969	-	-	(34,998)
Assets classified as held-for-sale	(3,912,498)	(1,173,526)	(187,366)	-	(5,273,390)
Exchange adjustment	(131,154)	(572,443)	(7,210)	(4,761)	(715,568)
At 31 December 2021	751,349	4,809,279	99,525	85,043	5,745,196

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

14. RIGHT-OF-USE ASSETS (CONTINUED)

	Right-of-use assets				
	Land and buildings	Exchange and network assets	Subscriber apparatus and other equipment	Indefeasible rights-of- use (IRU)	Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Accumulated amortisation					
At 1 January 2020	1,485,723	859,884	149,173	26,168	2,520,948
Provided during the year	521,795	638,049	46,364	11,427	1,217,635
Reduction on early termination	(36,656)	(7,229)	(3,043)	(1,633)	(48,561)
Reclassification	(43,827)	-	-	-	(43,827)
Exchange adjustment	8,776	4,890	(499)	1,505	14,672
At 31 December 2020	1,935,811	1,495,594	191,995	37,467	3,660,867
Deconsolidation of a subsidiary	(1,618)	(3,021)	(4,666)	-	(9,305)
Provided during the year	494,919	633,068	55,606	12,183	1,195,776
Impairment during the year (i)	-	581,227	-	-	581,227
Reduction on early termination	(9,813)	(22,656)	(2,203)	-	(34,672)
Disposal during the year	(109,482)	-	-	-	(109,482)
Reclassification	-	2,899	-	-	2,899
Assets classified as held-for-sale	(1,779,376)	-	-	-	(1,779,376)
)	(262,575)	(180,380)	-	(2,222,331)
Exchange adjustment	(50,776)	(122,168)	(5,365)	(2,129)	(180,438)
At 31 December 2021	479,665	2,302,368	54,987	47,521	2,884,541
Carrying value					
At 31 December 2021	271,684	2,506,911	44,538	37,522	2,860,655
At 31 December 2020	2,626,968	3,971,639	59,409	52,337	6,710,353

Following the election of the Group not to recognize right-of-use assets and lease liabilities for short-term and low-value leases, QR. 438,065 thousand (2020: QR. 381,083 thousand) and QR. 2,975 thousand (2020: QR. 2,463 thousand), respectively, were recognized as expenses during the year. Moreover, variable lease payments which were recognized as expenses during 2021 amounted to QR. 18,884 thousand (2020: 4,397 thousand).

(i) Details about the key assumptions and the calculation of the impairment related to Myanmar are provided in note 26

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

15. INVESTMENT PROPERTIES

	2021	2020
	QR.'000	QR.'000
Cost		
At 1 January	170,593	170,593
Transfer from property, plant and equipment	208,845	-
Transfer from other-non current assets	13,849	-
Related to held for sale	(56,816)	-
At 31 December	336,471	170,593
Accumulated depreciation		
At 1 January	124,012	112,586
Transfer from property, plant and equipment	65,303	-
Provided during the year	13,196	11,426
At 31 December	202,511	124,012
Carrying value At 31 December	133,960	46,581

Investment properties comprise the portion of the Group's headquarters building rented to a related party, in addition to properties not occupied by the Group and currently held for undetermined use.

There was a valuation exercise performed by an external valuer, independent valuers not connected with the Group. The valuation conforms to International Valuation Standards. Management believe that the fair value investment property is approximately QR. 362,050 thousand (2020: QR. 224,162 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 properties, all of which is leased out under operating leases, amounted to QR. 45,757 thousand (2020: QR. 31,775 thousand).

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

16. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Group has the following investment in associates and joint ventures:

<i>Associate / Joint Venture companies</i>	<i>Principal activity</i>	<i>Classification</i>	<i>Country of incorporation</i>	<i>Effective ownership</i>	
				2021	2020
Navlink, Inc., a Delaware Corporation	<i>Managed Service Provider delivering technology solutions in the enterprise data market</i>	<i>Associate</i>	<i>United States of America</i>	40%	38%
Asia Mobile Holdings Pte Ltd ("AMH")	<i>Holding company</i>	<i>Associate</i>	<i>Singapore</i>	25%	25%
PT Multi Media Asia Indonesia	<i>Satellite based telecommunication services</i>	<i>Associate</i>	<i>Indonesia</i>	17%	17%
MEEZA QSTP LLC	<i>Information technology services</i>	<i>Associate</i>	<i>Qatar</i>	20%	20%
Titan Bull Holdings Limited	<i>Holding Company</i>	<i>Associate</i>	<i>Cayman Islands</i>	18%	18%
Monetix SPA	<i>Electronic Banking</i>	<i>Associate</i>	<i>Algeria</i>	19%	19%
SB ISAT Fund, L.P.	<i>Investment Management</i>	<i>Associate</i>	<i>Cayman Islands</i>	28%	28%
Mountain Indosat Company Ltd ("MCL")	<i>Business Incubation and Digital Services</i>	<i>Associate</i>	<i>Hong Kong</i>	-	29%
PT Satera Manajemen Persada Indonesia	<i>Telecommunication Services and Equipment Provider</i>	<i>Associate</i>	<i>Indonesia</i>	-	32%
Asia Internet Holding S.a r.l.,	<i>Holding Company</i>	<i>Joint venture</i>	<i>Luxembourg</i>	50%	50%
Intaleq Technology Consulting & Services W.L.L	<i>Technical services for Sports venues and events</i>	<i>Joint venture</i>	<i>Qatar</i>	55%	55%

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

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	Joint ventures	Total	Associates	Joint ventures	Total
	2021	2021	2021	2020	2020	2020
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
<u>Group's share of associates and joint ventures statement of financial position:</u>						
Current assets	1,243,843	68,510	1,312,353	986,498	30,845	1,017,343
Non-current assets	2,421,141	19,646	2,440,787	2,595,048	36,474	2,631,522
Current liabilities	(752,364)	(24,297)	(776,661)	(573,044)	(3,534)	(576,578)
Non-current liabilities	(2,233,641)	(4,755)	(2,238,396)	(2,293,955)	-	(2,293,955)
Net assets	678,979	59,104	738,083	714,547	63,785	778,332
Goodwill	908,071	-	908,071	917,175	-	917,175
Carrying amount of the investments	1,587,050	59,104	1,646,154	1,631,722	63,785	1,695,507
<u>Group's share of associates' and joint ventures' revenues and results:</u>						
Revenues	1,497,752	-	1,497,752	1,128,522	45	1,128,567
Profit/(loss) for the year	62,141	18,321	80,462	56,144	(20,868)	35,276

In 2021, the Group received dividends from associates amounting to QR. 18,854 thousand (2020: QR. 64,186 thousand). No other significant movements during the year other than the dividends and the share of results.

16.1. The significant balance of investment in associates relates to Asia Mobile Holdings Pte Ltd. ("AMH"). During the year, management has performed impairment assessment of AMH based on the indicators and currently available information. The Group has applied a value-in-use approach to determine the recoverable amount of the investment in AMH and no impairment was noted. The Group has used WACC of 6.98% and terminal growth rate of 3.5% 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.

Although the Group holds less than 20 per cent effective holding of equity shares of certain entities, the Group exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that entity.

17. FINANCIAL ASSETS – EQUITY INSTRUMENTS

	2021	2020
	QR.'000	QR.'000
Investment in equity instrument designated at FVTOCI	682,195	703,178
Financial assets measured at FVTPL	3,883	85,829
	686,078	789,007

The Group's financial assets comprise of investment in a telecommunication related company with fair value of QR. 422,242 (2020: QR. 488,611), investment in venture capital funds and other private equity funds. The investment in hedge funds is accounted for at fair value through the statement of profit or loss (FVTPL).

Investments accounted for at fair value through other comprehensive income (FVTOCI). 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.

Refer to note 39 for related fair value information.

Financial assets measured at FVTPL amounting to QR 96.7 million have been reclassified as held for sale. Refer to note 46 for details.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

18. OTHER NON-CURRENT ASSETS

	2021	2020
	QR.'000	QR.'000
Long term advances and deposits	61,993	640,987
Long-term prepayments	72,313	29,467
Contract assets – net of impairment allowances	43,335	37,399
Others	7,103	69,889
	184,744	777,742

(i) Mainly relates to long-term advances or deposits made in respect of property, plant and equipment.

(ii) Long term prepayments mainly relate to payments in advance for service arrangements which have terms ranging from 5 to 15 years.

19. INCOME TAX

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

	2021	2020
	QR.'000	QR.'000
Current income tax		
Current income tax charge	604,007	359,616
Adjustments in respect of previous years' income tax	(30,742)	(117,802)
Deferred income tax		
Relating to origination and reversal of temporary differences	53,432	(38,715)
Income tax included in the consolidated statement of profit or loss	626,697	203,099

The Company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiaries Companies and a joint venture Company is in the range of 10% to 37% (2020: 10% to 37%). 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.

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 reconciliation between tax expense and the product of accounting profit multiplied by the Group's effective tax rate is as follows:

	2021	2020
	QR.'000	QR.'000
Profit before tax	1,679,317	1,625,029
The Company and its subsidiaries that are not subject to corporate income tax	(1,588,037)	(559,458)
Accounting profit of subsidiaries and associates that are subject to corporate income tax	91,280	1,065,571
Tax charge based on the effective income tax rate of 15% (2020: 18%)	13,822	192,456
Add/(deduct):		
Tax effect of Expenses and income that are not subject to tax	(34,895)	(24,053)
Tax effect of Income already subject to final tax	23,698	79,939
Tax effect of temporary differences from subsidiaries with losses that the Group currently does not expect to use	547,434	99,302
Tax effect of temporary difference due to leases	7,123	5,659
Tax effect of Allowances, accruals and other temporary difference	16,986	(23,380)
Tax effect of Depreciation - net	29,839	32,605
Tax effect of Unutilised tax losses brought forward	-	(2,912)
Current income tax charge at the effective income tax rate of 15% (2020: 18%)	604,007	359,616

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

19. INCOME TAX (CONTINUED)

	Consolidated statement of financial position		Consolidated statement of profit	
	2021 QR.'000	2020 QR.'000	2021 QR.'000	2020 QR.'000
Accelerated depreciation for tax purposes	131,469	84,724	46,636	20,627
Losses available to offset against future taxable income	65,123	224,929	(148,701)	(3,533)
Allowances, accruals and other temporary differences	239,559	245,345	(25,438)	9,687
Deferred tax origination on purchase price allocation	(262,786)	(293,027)	23,433	23,016
Lease liabilities	95,742	79,695	50,638	(11,082)
Assets held for sale	96,444	-	-	-
Deferred tax (expense) / income	-	-	(53,432)	38,715
Deferred tax asset/liability	365,551	341,666	-	-

Reconciliation of deferred tax assets:

	2021 QR.'000	2020 QR.'000
At 1 January	643,104	658,851
Deferred tax income during the year	(84,419)	2,649
Deferred tax on other comprehensive income	(297)	8,830
Related to assets held for sale	(171,518)	-
Exchange adjustment	(21,319)	(27,226)
At 31 December	365,551	643,104

Reconciliation of deferred tax liability:

	2021 QR.'000	2020 QR.'000
At 1 January	301,438	340,468
Deferred tax income during the year	(30,987)	(36,066)
Deferred tax on other comprehensive income	3,707	(1,424)
Related to assets held for sale	(267,962)	-
Exchange adjustment	(6,196)	(1,540)
At 31 December	-	301,438

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

20. CONTRACT COSTS

	2021	2020*
	QR.'000	QR.'000
Current	181,287	196,958
Non-Current	111,897	151,431
	293,184	348,389

* Refer to note 48 for details regarding certain reclassifications.

21. INVENTORIES

	2021	2020
	QR.'000	QR.'000
Subscribers' equipment	165,485	248,013
Other equipment	237,014	218,327
Cables and transmission equipment	81,580	71,977
	484,079	538,317
Less: Provision for obsolete and slow moving inventories	(119,085)	(140,515)
	364,994	397,802

Inventories consumed are recognised as expense and included under operating expenses. These amounted to QR. 1,823,791 thousand (2020: QR. 1,639,355 thousand).

Movement in the provision for obsolete and slow moving inventories is as follows:

	2021	2020
	QR.'000	QR.'000
At 1 January	140,515	136,799
Provided during the year	1,450	42,013
Amounts written off	(13,098)	(31,300)
Related to assets held for sale	(3,899)	-
Exchange adjustment	(5,883)	(6,997)
At 31 December	119,085	140,515

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

22. TRADE AND OTHER RECEIVABLES

	2021	2020*
	QR.'000	QR.'000
Trade receivables – net of impairment allowances	2,469,067	2,785,952
Other receivables – net of impairment allowances and prepayments	1,583,953	3,590,069
Unbilled subscriber revenue – net of impairment allowances	675,186	736,542
Contract assets – net of impairment allowances	122,660	170,251
Amounts due from international carriers – net of impairment allowances	449,899	500,184
Net prepaid pension costs	-	115
	5,300,765	7,783,113

* Refer to note 48 for details regarding certain reclassifications.

At 31 December 2021, trade receivables amounting to QR. 1,378,365 thousand (2020: QR. 1,977,434 thousand) were impaired and fully provided for.

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 remaining different customer base.

31 December 2021	Trade receivables – days past due					
		30 – 60	60-90			
	< 30 days	days	days	90-365 days	> 365 days	Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Expected credit loss rate	3%	8%	14%	30%	65%	36%
Gross carrying amount at default	955,011	333,827	183,126	698,139	1,677,329	3,847,432
Lifetime ECL	(33,297)	(25,617)	(25,554)	(208,781)	(1,085,116)	(1,378,365)
Carrying amount	921,714	308,210	157,572	489,358	592,213	2,469,067
31 December 2020	Trade receivables – days past due					
		30 – 60	60-90			
	< 30 days	days	days	90-365 days	> 365 days	Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Expected credit loss rate	5%	9%	18%	32%	70%	42%
Gross carrying amount at default	1,112,416	354,864	184,833	864,354	2,246,919	4,763,386
Lifetime ECL	(53,477)	(33,002)	(34,154)	(274,418)	(1,582,383)	(1,977,434)
Carrying amount	1,058,939	321,862	150,679	589,936	664,536	2,785,952

Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 38.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

23. CASH AND CASH EQUIVALENTS

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

	2021	2020
	QR.'000	QR.'000
Bank balances and cash – net of impairment allowance (i, ii)	11,670,454	15,678,488
Less:		
Deposits with maturity of more than three months (iii)	(313,000)	(132,953)
Restricted deposits (iv)	(681,231)	(936,052)
Cash and cash equivalents as per consolidated statement of cash flows at 31 December (v)	10,676,223	14,609,483
Add: cash and cash equivalents from assets held for sale	968,087	-
Cash and cash equivalents at 31 December	11,644,310	14,609,483

- (i) Bank balances and cash include deposits maturing after three months amounting to QR. 3,120,000 thousand (2020: QR. 3,381,000 thousand). The Group is of the opinion that these deposits are readily convertible to cash and are held to meet short-term commitments
- (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 0.19% to 7.29% (2020: 0.06% to 12.31%).
- (iii) Deposits with maturity of more than three months were reclassified from bank balances and cash.
- (iv) The restricted deposits primarily pertain to dividend payments, issuance of bank guarantees, related to a regulatory disputes and various other purposes (which are not considered individually significant). These restricted deposits are subject to regulatory and/or other restrictions and are therefore not available for general use by the Group.
- (v) Certain cash and cash equivalents are used as collaterals to secure the Group's obligations.

Non-cash transaction

During the year, the non-cash additions to intangible assets amounted to QR. 260,226 thousand.

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.

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 banks, the Group has recorded an impairment loss of QR. 32,170 thousand during the year ended 31 December 2021 (2020: QR. 40,921 thousand). Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 38.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

24. SHARE CAPITAL

	2021		2020	
	No of shares (‘000)	QR.’000	No of shares (000)	QR.’000
Authorised				
Ordinary shares of QR1* each				
At 31 December	5,000,000	5,000,000	5,000,000	5,000,000
Issued and fully paid up				
Ordinary shares of QR1* each				
At 31 December	3,203,200	3,203,200	3,203,200	3,203,200

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.

b) Fair value and other reserves

The fair value and other reserves comprise the cumulative net change in the fair value of financial assets - equity instruments at FVTOCI and effective portion of qualifying cash flow hedges.

The movement in fair value reserve of financial assets - equity instruments at FVTOCI was as follows:

	2021	2020
	QR.’000	QR.’000
Fair value reserve of available for sale investments	430,111	451,101
Cash flow hedge reserve	(36,658)	(40,176)
At 31 December	393,453	410,925

c) Employees’ benefits 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.

Effective 1 September 2021, the Group regards its loans and accrued interest receivable from one of its subsidiaries as an extension of its net investment. Consequently, exchange differences arising on the re-translation of these balances are recognised in other comprehensive income in the consolidated financial information as of that date.

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

26. IMPAIRMENT LOSSES ON GOODWILL AND OTHER NON-FINANCIAL ASSETS

	2021	2020
	QR.'000	QR.'000
Impairment loss on Ooredoo Myanmar (i)	2,252,124	-
Other	148,340	407,184
Total	2,400,464	407,184

(i) As at 30 June 2021, and as a result of the ongoing political situation, the Group assessed its investment in Ooredoo Myanmar by comparing the recoverable amount (based on value in use calculations computed using cash flow projections) to the carrying value of the cash generating unit. The computations indicated that the recoverable amount of the investment is less than its carrying value and as a result an impairment charge of QR 2,252.1 million has been reflected in the consolidated statement of profit or loss. The impairment loss is split as follows:

	2021
	QR.'000
Property, plant and equipment	585,199
Intangible assets	1,085,698
Right-of-use assets	581,227
Total	2,252,124

As at 31 December 2021, the Group has revised and recently approved updated cashflow projections taking into account the significant uncertainty that continue to exist as well as the challenging operating conditions and revenue growth prospects in the market. At year-end, the discount rate used is 22.1% (30 June 2021: 21.6%, and 31 December 2020: 17%) to reflect the risk in the country together with a reduction in the terminal growth rate to 5.0% (30 June 2021: 5.8%, and 31 December 2020: 7.5%) in line with current published forecasts. The revised assessment did not give rise to any further impairment as at 31 December 2021. The situation is fluid and is being kept under review by management.

Sensitivity analysis:

At 30 June 2021, if the discount rate used had been higher/lower by 0.5% with all other variables held constant, the impairment charge would have been QR. 82 million higher/QR. 88 million lower.

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. The sale of prepaid cards is deferred until such time as the customer uses the airtime, or the credit expires.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

28. LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

	2021	2020
	QR.'000	QR.'000
Non-current liabilities		
Secured loan	29,725	58,415
Unsecured loan	3,582,559	9,922,241
Islamic Finance	-	396,708
Bonds	15,476,381	14,065,021
Less: Deferred financing costs	(145,178)	(116,871)
Total non current liabilities	18,943,487	24,325,514
Current liabilities		
Secured loan	48,844	53,713
Unsecured loan	626,336	1,071,065
Islamic Finance	-	31,381
Bonds	-	4,063,575
Total current liabilities	675,180	5,219,734
Less: Deferred financing costs	(32,572)	(30,451)
Interest payable	182,360	275,424
Profit payable on islamic financing obligation	-	4,594
Total current	824,968	5,469,301
Total loans and borrowings	19,768,455	29,794,815

The deferred financing costs consist of arrangement and other related fees. Movement in deferred financing costs was as follows:

	2021	2020
	QR.'000	QR.'000
At 1 January	147,322	184,973
Additions during the year	78,396	3,614
Amortised during the year (Note 8)	(44,274)	(41,398)
Related to liability held for sale	(4,163)	-
Exchange adjustment	469	133
At 31 December	177,750	147,322

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

28. LOANS AND BORROWINGS (CONTINUED)

Type	Currency	Nominal Interest/ Profit rate	Year of maturity	2021 QR.'000	2020 QR.'000
Bonds	IDR	7.40% to 11.20%	Mar 20 to Jul 29	-	2,652,215
Bonds	USD	3.25% to 5.00%	Feb 21 to Jan 43	15,476,381	15,476,381
Islamic Finance Obligation	IDR	8.00 to 11.20%	Jun 20 to Jul 29	-	428,089
Secured Loans	USD	LIBOR + 3.00% to 6.25%	Jan 20 to Feb 23	78,569	112,128
Unsecured Loans	IDR	2% to 8.95%	Dec 21 to Feb 24	-	1,111,684
Unsecured Loans	KWD	CBK + 0.60% - 0.65%	May 21 to Nov 22	-	143,640
Unsecured Loans	MMK	9% to 12%	Mar 20 to Jul 21	-	202,398
Unsecured Loans	TND	TMM Rate + 1.1% to 1.75%	Jun 20 to Jun 24	105,155	204,605
Unsecured Loans	DZD	5.00% to 5.15%	Dec 24 to Jul 26	53,781	181,969
Unsecured Loans	USD	LIBOR + 0.88% to 5.69%	Immediate to Sep 29	4,049,959	9,149,010
				19,763,845	29,662,119
Less: Deferred financing costs				(177,750)	(147,322)
Interest payable				182,360	275,424
Profit payable on islamic financing obligation				-	4,594
Total				19,768,455	29,794,815

(i) Loans and borrowings are availed for general corporate and operational purposes, 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.

On 8 April 2021, the Group issued USD 1 billion of senior unsecured Reg S/Rule 144A notes ("The Notes"). The Notes are issued by its wholly owned subsidiary Ooredoo International Finance Limited under the existing USD 5 billion Global Medium Term Notes programme and are listed on the Irish Stock Exchange. The Notes are unconditionally and irrevocably guaranteed by Ooredoo Q.P.S.C.

The Notes will mature on 8 April 2031 and with a coupon of 2.625% per year. The transaction was priced at a spread of 103.4 basis points over the 10-year U.S. Treasuries. Net proceeds from the sale of the Notes was used for Ooredoo's general corporate purposes, including refinancing of its existing indebtedness.

Refer to note 39 for the fair value of the Group's loans and borrowings,

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. 20,900,496 thousand as at 31 December 2021 (2020: QR. 31,528,169 thousand).

Loan covenants:

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenant:

- the net debt not to exceed 4.5 times the EBITDA.

The Group has complied with these covenants throughout the reporting period.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

29. EMPLOYEES' BENEFITS

	2021	2020
	QR.'000	QR.'000
Employees' end of service benefits	503,896	492,707
Long term incentive points-based payments*	159,009	201,897
Defined benefit pension plan/ Labour Law No. 13/2003	-	143,638
Other employee benefits	-	22,543
Total employee benefits	662,905	860,785
Current portion of long term incentive points-based payments (Note 31)	(90,812)	(103,622)
Total	572,093	757,163

Movement in the provision for employees' benefits are as follows:

	2021	2020
	QR.'000	QR.'000
At 1 January	860,785	875,487
Deconsolidation of a subsidiary	(7,846)	-
Provided during the year	118,655	135,380
Paid during the year	(183,173)	(161,355)
Other comprehensive income	(19,214)	40,210
Relating to liability held for sale	(118,695)	-
Exchange adjustment	12,393	(28,937)
At 31 December	662,905	860,785

* 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.

30. OTHER NON-CURRENT LIABILITIES

	2021	2020
	QR.'000	QR.'000
License cost payables (i)	693,301	1,643,092
Site restoration provisions	167,288	124,419
Deferred gain	-	21,517
Others (ii)	53,002	761,725
	913,591	2,550,753

(i) License cost payables represent amounts payable to Telecom regulators in Indonesia, and Oman for license charges.

(ii) Others mainly include long-term procurement payables.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

31. TRADE AND OTHER PAYABLES

	2021	2020
	QR.'000	QR.'000
Trade payables	1,328,942	3,959,703
Accrued expenses (i)	5,823,992	8,127,544
License costs payable	153,696	1,286,535
Amounts due to international carriers - net (ii)	482,285	514,689
Negative fair value of derivatives	110,531	136,457
Long term incentive points-based payments (Note 29)	90,812	103,622
Dividends payable	155,841	145,567
Other payables	796,957	1,059,465
	8,943,056	15,333,582

(i) This mainly consists of accrual for operating and capital expenditure, in addition to provisions for legal and tax expense (note 37).

(ii) Amounts due to international carriers are offset against amounts due from international carriers and the net amount presented only where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

32. LEASE LIABILITIES

	2021	2020
	QR.'000	QR.'000
At January 1	7,360,403	6,649,303
Deconsolidation of a subsidiary	(118,487)	-
Additions during the year	2,598,496	1,858,555
Interest expense on lease liability	638,639	541,159
Principal element of lease payments	(1,084,254)	(1,280,481)
Payment of interest portion of lease liability	(555,687)	(351,682)
Reduction on early termination	(134,222)	(35,901)
Relating to liability held for sale	(4,336,974)	-
Exchange adjustments	(180,738)	(20,550)
At 31 December	4,187,176	7,360,403
Non-current portion	3,557,607	6,263,940
Current portion	629,569	1,096,463
	4,187,176	7,360,403

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.

	2021	2020
	QR.'000	QR.'000
Maturity analysis		
Not later than 1 year	889,725	1,647,188
Later than 1 year and not later than 5 years	3,058,689	4,931,930
Later than 5 years	1,604,390	3,603,245
Less: unearned finance cost	(1,365,628)	(2,821,960)
	4,187,176	7,360,403

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

33. CONTRACT LIABILITIES

	2021	2020
	QR.'000	QR.'000
Current	46,748	192,456
Non-current	9,972	8,247
	56,720	200,703

(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.

There were no significant changes in the contract liability balances during the reporting period.

34. DIVIDEND

Dividend paid and proposed

	2021	2020
	QR.'000	QR.'000
Declared, accrued and paid during the year		
Final dividend for 2020, QR. 0.25 per share (2019: QR. 0.25 per share)	800,800	800,800
Proposed for approval at Annual General Meeting (Not recognized as a liability as at 31 December)		
Final dividend for 2021, QR. 0.30 per share (2020: QR. 0.25 per share)	960,960	800,800

The proposed final dividend will be submitted for formal approval at the Annual General Meeting.

35. DERIVATIVE FINANCIAL INSTRUMENTS

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	
	2021	2020
	QR.'000	QR.'000
Cross currency swaps	-	36,415
Currency forward contracts	55,032	473,734
Fair value derivatives	305,231	305,609
	360,263	815,758

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

35. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	<i>Fair values</i>			
	<i>2021</i>		<i>2020</i>	
	<i>Derivative Assets</i>	<i>Derivative Liabilities</i>	<i>Derivative Assets</i>	<i>Derivative Liabilities</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
Cross currency swaps	-	-	-	3,220
Currency forward contracts	-	991	-	29,691
Fair value derivatives	-	106,037	-	93,740
	-	107,028	-	126,651

At 31 December 2021, the Group has interest rate swaps 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.

The table below shows the fair values of derivative financial instruments held as cash flow hedges together with the notional amounts:

	<i>Derivative Liabilities</i>	<i>Derivative Assets</i>	<i>Notional Amounts</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
31 December 2021			
Interest rate swaps	3,503	-	218,490
31 December 2020			
Interest rate swaps	9,806	-	327,735

36. OPERATING LEASE ARRANGEMENTS

At the date of statement of financial position, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<i>2021</i>	<i>2020</i>
	<i>QR.'000</i>	<i>QR.'000</i>
Future minimum lease payments in respect of short term and low value leases as at 31 December	24,764	48,319

Upon adoption of IFRS 16, certain operating lease commitments were identified and considered. The leases are related to short term and low value leases.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

37. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS

	2021	2020
	QR.'000	QR.'000
Capital expenditure commitments		
Estimated capital expenditure contracted for at the end of the financial reporting year but not yet incurred	2,223,090	2,642,749
Letters of credit	221,927	206,190
	2021	2020
	QR.'000	QR.'000
Contingent liabilities		
Letters of guarantees	937,401	760,170
Claims against the Group not acknowledged as debts	15,822	25,978

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.

Proceedings against PT Indosat Mega Media relating to misuse of radio frequencies

As previously disclosed, 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. ("Indosat"), 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 QAR474 million (USD130 million) had been reinstated. The former President Director of IM2 and IM2 submitted appeals and/or judicial reviews over the years, all of which were lost. IM2 had consequently already fully provided for the case in prior years. On 16 November 2021, the AGO seized IM2's assets and the company was placed into voluntary liquidation on 8 December 2021. At the point when the liquidator had been appointed, Indosat (and the Group) was deemed to have lost control over IM2 and had therefore de-consolidated IM2 from this date. Indosat and the Group, supported by their external legal advisors, have concluded that there is no further exposure to the group following the liquidation proceedings as the claim only relates to IM2.

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 Value Added Tax (VAT) claims from years 2009 to 2018 for an amount of QR 98 million; corporate tax claims for years 2007 to 2018 amounting to QR 434 million; and withholding tax claims from years 2012-2019 amounting to QR 523 million. The Group has applied its judgement and recognised provisions amounting to QR 236 million in respect of these matters and has included contingent liabilities where economic outflows are considered possible but not probable.

Tax demand notices against Asiacell

As at the reporting date, one of the Group's subsidiaries, Asiacell Communication PJSC ("ACL" or "Asiacell") 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 225 million; 2008 amounting to QR 118 million; 2009-2010 amounting to QR 205 million; 2015-2016 amounting to QR 152 million; 2017 amounting to QR 90 million; and 2019 amounting to QR 16 million. Asiacell had raised an objection against each of these claims. In the first quarter of 2021, Asiacell lost the appeal against the tax claims for 2004 to 2010 in the Iraq Court of Cassation.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

37. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS (CONTINUED)

The claims were fully paid and closed. In the second quarter of 2021, the Iraqi Tax Authorities partially accepted the tax claim for 2015-2017 and issued a tax credit of QR 85 million that can be utilized against the payment of taxes in future. The tax claim for 2019, for QR 16 million, was accepted and closed by Asiacell. As a result, as at 31 December 2021, there are no longer any material unresolved tax exposures for Asiacell.

Proceedings against Asiacell relating to regulatory fee

On 10 June 2014, the Communications and Media Commission (“CMC”) issued a letter notifying Asiacell 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 and the CMC has instead demanded 18%. During 2021, whilst still disputing the matter, Asiacell, at the request of the CMC, deposited the full amount of regulatory fees covering the period until December 2020 amounting to QR 1,060 million (USD 291 million). Asiacell has fully provisioned for the 3% incremental license fees for the period from January 2021 to December 2021 in the amount of QAR 83 million (USD 23 million) until the case is resolved.

Proceedings against Asiacell relating to Universal Services Fee (“USF”)

On 7 December 2017, the CMC issued letters notifying Asiacell and other operators in Iraq asking them to hold 1.5% of their 2017 Revenues (excluding local interconnection costs) as a USF (“USF”). Asiacell complied with the CMC request and has a full provision for the years 2017 to 2019 amounting to QAR 197.3 million (USD 49.1 million). In 2018, Asiacell received a second letter asking them to provision the 1.5% USF from the end of the second anniversary of the license term (2009). Management estimates the additional exposure in relation to this demand is approximately QAR 691 million (USD 190 million). Asiacell rejected the retroactive implementation of the USF on the grounds that it is illegal. Another operator in Iraq initiated a dispute against the CMC decision at the CMC Hearing Panel. In February 2021, the operator won the dispute with CMC in which the Appeal Panel stated that the CMC had no right to impose retroactive application of the new USF fees. Due to this, Asiacell in March 2021 initiated its own dispute proceeding at the CMC Hearing Panel. Based on this, Asiacell is confident of a successful outcome in their case considering the precedent already set and has therefore not recorded any provision for this matter.

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 QAR 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 QAR 488 million (USD 134 million) when Ooredoo Palestine reaches 1 million subscribers.

In September 2019, the Minister of Finance and Minister of Telecom and IT (MTIT) issued a letter notifying Ooredoo Palestine to pay QR. 781 million (USD 214 million) which is the remaining unpaid second and third payment of the 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 the West Bank and Gaza.

Management have applied their judgement and raised a provision amounting to QAR 163 million (USD 44.8 million) for these claims. Management, supported by their external legal advisors, is of the view that Ooredoo Palestine has strong grounds to defend these claims.

Algeria Central Bank against Ooredoo Algeria

In late 2016, Algeria Central Bank (“ACB”) conducted a review of Ooredoo Algeria money transfers outside Algeria and currency exchange. The review claims that Ooredoo Algeria has committed money transfer and foreign exchange regulations violations during 2013-2014. Accordingly, in December 2018, Algeria’s public prosecution along with the Algerian Ministry of Finance initiated a criminal investigation against Ooredoo Algeria. The investigation includes 14 misdemeanour cases against Ooredoo Algeria in relation to money transfer from the Company’s export bank account and roaming repatriation of funds without complying with the central bank’s processes. The criminal court sentenced the company to pay a total of QR 291 million (USD 80 million) in fines and compensation.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

37. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS (CONTINUED)

The company has provided QR 25 million (USD 7.8 million) provision related to the export bank account violations. The company has appealed the decision to the Court of Cassation.

The net exposure amounting to QR 266 million (USD 73 million) is related to the roaming repatriation case. During 2020, the company appealed the case to the Supreme court. The company, supported by external legal opinion, believes that it will more likely than not win the case in the Court of Cassation. As a result, the company did not provide for this exposure.

The Group is presenting the provisions recognized for legal and tax exposures under trade and other payables (Note 31).

Other matters

In addition to the above matters, as at 31 December 2021, there were a number of legal, regulatory and tax disputes ongoing in various of the Group's operating entities, the outcome of which may not be favourable to the Group, and none of which are considered individually material. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

38. 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, investment measured at fair value through other comprehensive income, 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 2021, after taking into account the effect of interest rate swaps, approximately 83% of the Group's borrowings are at a fixed rate of interest (2020: 68%).

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

	<i>Effect on consolidated statement of profit or loss +25bp QR.'000</i>	<i>Effect on consolidated statement of changes in equity +25 bp QR.'000</i>
At 31 December 2021		
USD LIBOR	(7,353)	-
Others	(3,973)	-
At 31 December 2020		
USD LIBOR	(19,848)	-
Others	(3,973)	-

The Group has closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the IBOR regulators. The regulators have made clear that, at the end of 2021, it will no longer seek to persuade, or compel, banks to submit IBORs.

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.

	2021	2020
	QR.'000	QR.'000
	Assets	Assets
	(Liabilities)	(Liabilities)
Kuwaiti Dinar (KD)	22,434	21,979
US Dollars (USD)	(2,886,181)	(2,987,110)
Euro (EUR)	67,640	55,019
Great British Pounds (GBP)	1,169	8,947
Algerian Dinar (DZD)	9,013	8,848
Myanmar Kyat (MMK)	-	124,684
Others	18,582	(81,387)

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.

Ooredoo Q.P.S.C.

Consolidated financial statements for the year ended 31 December 2021

Notes to the consolidated financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown:

	<i>Effect on profit or loss</i>	
	2021	2020
	+ 10%	+ 10%
	QR.'000	QR.'000
Kuwaiti Dinar (KD)	2,243	2,198
US Dollar (USD)	(286,618)	(298,711)
Euro (EUR)	6,764	5,502
Great British Pounds (GBP)	117	895
Algerian Dinar (DZD)	901	885
Myanmar Kyat (MMK)	-	12,468

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk

The Group is not significantly exposed to equity price risk as the balance of the investments held by the Group and classified either as investment in equity instruments designated at FVTOCI or Financial assets measured at FVTPL is not material.

Credit risk

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

The Group 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 applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables, unbilled subscriber revenue and contract assets. 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

To measure the expected credit losses, trade receivables, unbilled subscriber revenue and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the current trade receivables are a reasonable approximation of the loss rates for the unbilled subscriber revenue and contract assets.

For the unbilled subscriber revenue and contract assets, the provision for loss allowance amounted to QR. 53,381 thousand (2020: QR. 39,080 thousand).

Refer to note 22 for the aging and loss rates of trade receivables.

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.

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Management has assessed that any reasonable possible change in the key assumptions in relation to the provision for loss allowance would not result in a material impact.

The Group applies the general model approach to measure expected credit losses for other receivables, cash and bank balances (excluding cash on hand) and due from related parties.

Credit risk measurement

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 to 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Credit risk 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.

While other receivables and due from related parties are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The exposure of credit risk from amounts due from international carriers is minimal as the amounts are driven by contractual arrangements with other telecom operators.

With respect to credit risk arising from the cash and bank balances (excluding cash on hand), the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group reduces the exposure to credit risk arising from bank balances by maintaining the bank accounts primarily with investment grade banks. As on 31 December 2021, 57% (2020: 59%) of bank balances were maintained with banks having a credit rating of AAA to A-, 5% (2020: nil) of bank balances were maintained with banks having a credit rating of BBB+ to BBB- and 38% (2020: 41%) of bank balances were maintained with banks having a credit rating of BB+ and below.

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

	2021	2020
	QR.'000	QR.'000
Balance as at 1 January	2,345,013	2,277,858
Charge for the year	230,383	360,775
Amounts written off	(98,226)	(180,859)
Amounts recovered	(6,252)	(5,556)
Related to assets held for sale	(625,692)	-
Foreign exchange gains and losses	660	(107,205)
Balance as at 31 December	1,845,886	2,345,013

Credit risk arising from derivative financial instruments is at any time, limited to those with derivative assets, as recorded on the consolidated statement of financial position. With gross settled derivatives, the Group is also exposed to settlement risk.

The carrying amount of the Group's financial assets at FVTPL and FVTOCI, as disclosed in note 17, has no credit risk. The Group holds no collateral over any of these balances.

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 2021, 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.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. 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:

	<i>Less than 1 year</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>> 5 years</i>	<i>Total</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
At 31 December 2021					
Loans and borrowings	753,671	2,647,782	9,214,631	11,503,739	24,119,823
Trade payables	1,328,942	-	-	-	1,328,942
License costs payable	153,743	146,499	84,328	481,021	865,591
Lease liabilities	889,725	1,316,893	1,741,796	1,604,390	5,552,804
Other financial liabilities	683,628	235,485	-	-	919,113
Total	3,809,709	4,346,659	11,040,755	13,589,150	32,786,273

	<i>Less than 1 year</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>> 5 years</i>	<i>Total</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
At 31 December 2020					
Loans and borrowings	6,302,176	6,181,136	14,351,701	8,118,385	34,953,398
Trade payables	3,959,703	-	-	-	3,959,703
License costs payable	1,359,303	614,539	916,464	883,098	3,773,404
Lease liabilities	1,647,189	1,837,102	3,094,825	3,603,247	10,182,363
Other financial liabilities	754,768	222,694	-	-	977,462
Total	14,023,139	8,855,471	18,362,990	12,604,730	53,846,330

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 2021 and 31 December 2020.

Equity includes all capital and reserves of the Group that amounted to QR. 26,408,528 thousand at 31 December 2021 (2020: QR. 28,200,823 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 2021 is 47% (2020: 75%).

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Gearing ratio

The gearing ratio at year end was as follows:

	2021	2020
	QR.'000	QR.'000
Debt (i)	23,955,631	37,155,218
Cash and bank balances	(11,670,454)	(15,678,488)
Net debt	12,285,177	21,476,730
Equity (ii)	26,408,528	28,200,823
Net debt to equity ratio	47%	75%

- (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.

39. 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:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	2021	2020	2021	2020
	QR.'000	QR.'000	QR.'000	QR.'000
Financial assets				
Financial assets – equity instruments	686,078	789,007	686,078	789,007
Trade and other receivables	3,716,812	4,192,929	3,716,812	4,192,929
Bank balances and cash	11,670,454	15,678,488	11,670,454	15,678,488
Financial liabilities				
Loans and borrowings	19,768,455	29,794,815	20,900,496	31,528,169
Other non-current liabilities	693,301	1,643,092	693,301	1,643,092
Derivative financial instruments	110,531	136,457	110,531	136,457
Long term incentive points-based payments	159,009	201,897	159,009	201,897
Trade and other payables	2,917,721	6,965,959	2,917,721	6,965,959
Income tax payable	320,220	1,082,491	320,220	1,082,491

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.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

39. FAIR VALUES OF FINANCIAL INSTRUMENTS

- 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 2021 and 2020:

	31 December 2021	Level 1	Level 2	Level 3
	QR.'000	QR.'000	QR.'000	QR.'000
Assets:				
Financial assets measured at fair value:				
FVTOCI	682,195	-	-	682,195
FVTPL	3,883	-	3,883	-
	686,078	-	3,883	682,195
Liabilities:				
Other financial liabilities measured at fair value				
Derivative financial instruments	110,531	-	110,531	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	20,900,496	-	20,900,496	-
	21,011,027	-	21,011,027	-
	31 December 2020	Level 1	Level 2	Level 3
	QR.'000	QR.'000	QR.'000	QR.'000
Assets:				
Financial assets measured at fair value:				
FVTOCI	703,178	-	-	703,178
FVTPL	85,829	2,017	83,809	3
	789,007	2,017	83,809	703,181
Liabilities:				
Other financial liabilities measured at fair value				
Derivative financial instruments	136,457	-	136,457	-
Other financial liability for which fair value is disclosed				
Loans and borrowings	31,528,169	-	31,528,169	-
	31,664,626	-	31,664,626	-

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

39. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

There is no transfer from Level 1, 2 and 3 during the financial period.

At 31 December 2021, the Group has notes with a fair value of QR. 16,611,437 thousand (2020: 20,409,536 thousand). The notes are listed on the Irish bond market and the fair value of these instruments is determined by reference to quoted prices in this market. The market for these bonds is not considered to be liquid and consequently the fair value measurement is categorised within level 2 of the fair value hierarchy.

For fair value measurements categorised within Level 3 of the fair value hierarchy, the fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observables prices exist and other valuation techniques. Valuation techniques incorporate assumptions regarding discount rates, estimates of future cash flows as other factors.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements for the individually significant investment:

Description	Fair value at 3 December 2021 QR.'000	Unobservable inputs	Value of inputs	Relationship of unobservable inputs to fair value
Investment in a telecommunication related company classified as FVTOCI	422,242	EV/EBITDA	7.75 times	A change in the EV/EBITDA by 10% would increase/decrease the fair value by QAR 38,402 thousand

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

40. 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 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 Qatar 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 in the ordinary course of business at normal commercial terms and conditions. Following are the significant balances and transactions between the Company and the Qatar Government and other Government related entities.

- (i) Trade receivables-net of impairment include an amount of QR 563,081 thousand (2020: QR. 554,739 thousand) receivable from Government and Government related entities.
- (ii) The most significant amount of revenue from a Government related entity amounted to QR. 212,717 thousand (2020: QR. 93,474 thousand).
- (ii) Industry fee 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 on normal commercial terms and conditions.

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 of QR. 14,400 thousand was proposed for the year ended 31 December 2021 (2020: QR. 18,593 thousand). The compensation and benefits related to Board of Directors and key management personnel amounted to QR. 360,584 thousand for the year ended 31 December 2021 (2020: QR. 394,716 thousand), and end of service benefits QR. 15,709 thousand for the year ended 31 December 2021 (2020: QR. 15,529 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Employee salaries and associated costs".

41. 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

41. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Revenue recognition

Revenue recognition under IFRS 15 necessitates the collation and processing of very large amounts of data, use of management judgements and estimates to produce financial information. The most significant accounting judgements and source of estimation uncertainty are disclosed below.

Judgments in determining the timing of satisfaction of performance obligations

Per note 4, the Group generally recognises revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receive and consume 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. However, the determination of obligations is, for the primary goods and services sold by the Group, not considered to be a critical accounting judgement.

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.

Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners. Scenarios requiring judgement to determine whether the Group is a principal or an agent include, for example, those where the Group delivers third-party branded services (such as value added services or TV content) to customers and mobile money service.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension and termination options are included in several leases across various classes of right-of-use assets across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. 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.

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

41. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

As a lessee, optional periods are included in the lease term if the Group is reasonably certain it will exercise an extension option or will not exercise a termination option; this depends on an analysis by management of all relevant facts and circumstances including the leased asset's nature and purpose, the economic and practical potential for replacing the asset and any plans that the Group has in place for the future use of the asset. Where a leased asset is highly customised (either when initially provided or as a result of leasehold improvements) or it is impractical or uneconomic to replace then the Group is more likely to judge that lease extension options are reasonably certain to be exercised. The value of the right-of-use asset and lease liability will be greater when extension options are included in the lease term.

The lease terms can vary significantly by type and use of asset and geography. In addition, the exact lease term is subject to the non-cancellable period and rights and options in each contract. Generally, lease terms are judged to be the longer of the minimum lease term and:

- Between 5 and 10 years for land and buildings (excluding retail), with terms at the top end of this range if the lease relates to assets that are considered to be difficult to exit sooner for economic, practical or reputational reasons;
- The customer service agreement length for leases of local loop connections or other assets required to provide fixed line services to individual customers.

In most instances the Group has options to renew or extend leases for additional periods after the end of the lease term which are assessed using the criteria above.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

41. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

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.

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 five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested. The recoverable amount of investment is determined based on the net present value of future cash flows, management assumptions made, including management's expectations of the investment's:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditures;
- long term growth rates ranges during discrete period and terminal period;
- long-term cash flows and working capital estimates; 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

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. but it is not considered to be a significant risk of material adjustment to the carrying values of property, plant and equipment in the year to 31 December 2021 if these estimates were revised.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

41. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

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 (Note 37).

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 (Note 37).

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 (Note 39).

Calculation of loss allowance

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in (note 37).

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

42. 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:

	<i>Asiacell</i>	<i>NMTC*</i>	<i>Indosat Ooredoo</i>	<i>Ooredoo Oman</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
31 December 2021				
Non-current assets	4,318,189	10,450,002	14,611,474	3,820,692
Current assets	1,839,459	3,651,767	2,774,005	541,877
Non-current liabilities	(386,684)	(2,882,272)	(7,291,290)	(585,131)
Current liabilities	(2,291,211)	(4,734,457)	(7,644,258)	(1,373,786)
Net assets	3,479,753	6,485,040	2,449,931	2,403,652
Carrying amount of NCI	1,250,653	1,369,031	1,144,543	1,081,925
Revenue	3,656,773	7,262,510	7,993,812	2,324,699
Profit	824,530	304,569	1,757,160	119,769
Profit allocated to NCI	296,343	70,996	633,848	53,588

	<i>Asiacell</i>	<i>NMTC*</i>	<i>Indosat Ooredoo</i>	<i>Ooredoo Oman</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
31 December 2020				
Non-current assets	4,028,695	11,369,194	15,495,866	3,910,737
Current assets	4,955,081	3,255,966	2,344,927	604,329
Non-current liabilities	(70,431)	(3,240,500)	(8,310,953)	(674,057)
Current liabilities	(5,690,634)	(4,780,743)	(6,330,358)	(1,403,617)
Net assets	3,222,711	6,603,917	3,199,482	2,437,392
Carrying amount of NCI	1,158,270	1,427,282	1,391,662	1,097,668
Revenue	4,019,839	7,039,902	6,983,284	2,508,775
Profit	725,674	82,638	(150,762)	201,271
Profit allocated to NCI	260,813	33,726	(38,599)	89,345

* This includes the Group’s subsidiaries with material non-controlling interest (NCI) within NMTC sub-group (Wataniya Telecom Algeria 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.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

43. 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"), which is the "Board of Directors", 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 segments. Revenue is attributed to reportable segments based on the location of the Group companies. Inter-segment sales are charged at arms' length prices.

For management reporting purposes, the Group is organised into business units based on their geographical area covered, 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. *Indosat Ooredoo* is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia.
4. *Ooredoo Oman* is a provider of mobile and fixed telecommunication services in Oman;
5. *Ooredoo Algeria* is a provider of mobile and fixed telecommunication services in Algeria;
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.

NMTC group is a provider of mobile telecommunication services in Kuwait and elsewhere in the MENA region. NMTC group includes balances and results of Ooredoo Kuwait, Ooredoo Tunisia, Ooredoo Algeria, Wataniya Palestine, Ooredoo Maldives PLC and others. In 2020, based on the recent information and circumstances, management reassessed and concluded that each of the aforementioned entities represents a separate operating segment and should be assessed individually whether it meets the criteria of IFRS 8 Operating Segments, as a reportable segment. If not, such is reported as part of "Others".

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.

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

43. 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 2021 and 2020:

Year ended 31 December 2021

	Ooredoo Qatar	Asiacell	Ooredoo Algeria	Indosat Ooredoo	Ooredoo Oman	Ooredoo Myanmar	Others	Adjustm ents and eliminati ons	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	7,098,671	3,651,117	2,249,272	7,935,124	2,211,270	1,053,563	4,206,634	-	28,405,651
Sale of telecommunications equipment	77,812	5,151	4,641	7,590	87,508	2,661	1,199,761	-	1,385,124
Revenue from use of assets by others	17,678	-	-	49,961	23,115	7,607	10,606	-	108,967
Inter-segment	270,171	505	20,754	1,137	2,806	4,131	308,283	(607,787)	(i) -
Total revenue	7,464,332	3,656,773	2,274,667	7,993,812	2,324,699	1,067,962	5,725,284	(607,787)	29,899,742
Timing of revenue recognition									
At a point in time	330,599	5,151	4,641	7,590	87,508	2,661	1,243,041	(296,067)	1,385,124
Overtime	7,133,733	3,651,622	2,270,026	7,986,222	2,237,191	1,065,301	4,482,243	(311,720)	28,514,618
	7,464,332	3,656,773	2,274,667	7,993,812	2,324,699	1,067,962	5,725,284	(607,787)	29,899,742
Results									
Segment profit (loss) before tax*	1,984,075	934,927	68,368	1,853,429	248,302	(3,517,793)	525,317	(417,308)	(ii) 1,679,317
Depreciation and amortisation	894,455	818,236	672,614	2,820,192	700,606	632,759	1,018,542	417,039	(iii) 7,974,443
Net finance costs	618,078	15,269	46,228	837,536	38,994	194,734	53,470	-	1,804,309

* 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.

Note:

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

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

43. SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2020

	Ooredoo Qatar	Asiacell	Ooredoo Algeria	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	6,751,825	4,018,558	2,223,543	6,814,718	2,375,379	1,155,769	4,063,421	-	27,403,213
Sale of telecommunications equipment	110,569	-	7,300	29,257	108,290	3,050	1,012,557	-	1,271,023
Revenue from use of assets by others	15,008	-	-	136,123	21,501	11,414	8,283	-	192,329
Inter-segment	195,106	1,281	24,759	3,186	3,605	1,281	301,371	(530,589) (i)	-
Total revenue	7,072,508	4,019,839	2,255,602	6,983,284	2,508,775	1,171,514	5,385,632	(530,589)	28,866,565
Timing of revenue recognition									
At a point in time	276,243	-	7,300	29,257	108,290	3,050	1,072,057	(225,174)	1,271,023
Over time	6,796,265	4,019,839	2,248,302	6,954,027	2,400,485	1,168,464	4,313,575	(305,415)	27,595,542
	7,072,508	4,019,839	2,255,602	6,983,284	2,508,775	1,171,514	5,385,632	(530,589)	28,866,565
Results									
Segment profit (loss) before tax*	1,922,718	688,586	28,704	(145,200)	353,899	(330,892)	(153,892)	(738,894) (ii)	1,625,029
Depreciation and amortisation	897,171	908,108	681,346	2,722,584	712,637	900,254	996,857	426,503 (iii)	8,245,460
Net finance costs	711,626	4,595	35,885	816,489	37,610	222,862	66,509	-	1,895,576

* 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.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

43. SEGMENT INFORMATION (CONTINUED)

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

	2021	2020
	QR.'000	QR.'000
Amortisation of intangibles	(417,308)	(426,794)
Impairment of intangibles	-	(312,100)
	(417,308)	(738,894)

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

Ooredoo Q.P.S.C.

Consolidated financial statements

for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

43. SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets of the Group's operating segments as at 31 December 2021 and 2020.

	<i>Ooredoo Qatar</i>	<i>Asiacell</i>	<i>Ooredoo Algeria</i>	<i>Indosat Ooredoo (iii)</i>	<i>Ooredoo Oman</i>	<i>Ooredoo Myanmar</i>	<i>Others</i>	<i>Adjustments and Eliminations</i>	<i>Total</i>
	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>	<i>QR.'000</i>
Segment assets (i)									
At 31 December 2021	16,854,963	6,034,345	3,591,916	16,871,064	4,355,850	2,754,591	10,255,353	16,639,446	77,357,528
At 31 December 2020	18,362,392	8,859,177	3,949,676	17,314,280	4,496,988	6,839,523	10,640,763	17,274,262	87,737,061
Capital expenditure (ii)									
At 31 December 2021	802,886	993,485	297,173	1,760,779	501,693	141,541	646,586	-	5,144,143
At 31 December 2020	916,715	1,309,303	538,156	2,269,327	1,284,587	188,272	721,282	-	7,227,642

Note:

(i) Goodwill and other intangibles arising from business combination amounting to QR. 16,639,446 thousand (31 December 2020: QR. 17,274,262 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.

(iii) Classified as assets held for sale as at 31 December 2021 (note 46).

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

44. 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 the statement of changes in equity.

During the year, the Group appropriated an amount of QR. 990 thousand (2020: QR. 40,358 thousand) representing 2.5% of the net profit generated from Qatar Operations.

45. 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 2021	Financing cash flows (i)	Non-cash changes (ii)	Other changes (iii)	31 December 2021
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Loans and borrowings (Note 28)	29,662,119	(5,410,371)	-	(4,487,903)	19,763,845
Deferred financing costs (Note 28)	(147,322)	(78,396)	44,274	-	(177,750)
Other non-current liabilities (Note 30)	2,550,753	(537,497)	-	(1,099,665)	913,591
Lease liabilities (Note 32)	7,360,403	(1,084,254)	2,922,175	(5,011,148)	4,187,176

Notes:

- (i) The financing activities in the statement of cash flows mainly include 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.

46. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In December 2021, the assets and liabilities pertaining to Indosat Ooredoo (IO), a subsidiary of the Group, were classified as held for sale following an assessment undertaken by the Group. This assessment was undertaken following the announcement of the proposed merger of the operations of IO and Hutchison Indonesia and the subsequent signing of the merger agreement with Hutchison.

Based on the assessment of key milestones associated with the proposed merger, the Group determined that as at 31st December 2021, the IO operation meets the requirements of IFRS 5 to be treated as "Held for sale" since the sale is highly probable within the next 12 months.

In the light of the above, Ooredoo's investment in IO has been classified as "Held for sale" in Ooredoo Group consolidated financial statements for the year ended 31st December 2021. By virtue of the fact that IO was a major line of business, and it will continue to be a major line of business after the merger, it does not meet the definition of a discontinued operation.

Accordingly the related assets held for sale as at 31st December 2021 are measured at the lower of carrying amount or fair value less cost to sell and shown as a separate line in the consolidated statement of financial position without changing the comparative numbers.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

46. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

The following assets and liabilities were reclassified as held for sale as at 31 December 2021:

	2021
	QR.'000
Assets classified as held for sale	
Property, plant and equipment	8,560,998
Intangible assets and goodwill	5,477,053
Right-of-use assets	3,051,059
Trade and other receivables	1,403,152
Bank balances and cash	968,087
Other assets	1,433,554
Total Assets	20,893,903
Liabilities directly associated with assets classified as held for sale	
Loans and borrowings	4,343,615
Lease liabilities	4,336,974
Other non - current liabilities	974,244
Trade and other payables	4,127,166
Other liabilities	1,141,313
Total Liabilities	14,923,312

The cumulative expense recognized in the statement of other comprehensive income as at 31 Dec 2021 relating to the above subsidiary classified as held for sale amounted to QR.2,559,751 thousands.

47. IMPACT OF COVID-19

Due to continued uncertainties caused by COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the consolidated financial information. The Group's business operations remain largely unaffected by the current situation.

The Group has performed a qualitative assessment for its investment in CGUs, considering the minimal impact of COVID-19 on entities operating in telecommunication sector, and compared the actual results for the year ended 31 December 2021 against the budget and industry benchmarks which confirmed that the impairment assessment as at 31 December 2020 remains unchanged.

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 December 2021. ECLs are estimated based on the relevant forward-looking macroeconomic factors, significant increase in credit risk, and assessing the indicators of impairment for the exposures in potentially affected sectors.

The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

48. COMPARATIVE INFORMATION

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

Consolidated statement of profit or loss for the year ended 31 December 2020	For the year ended 31 December			Notes
	Previous	Reclassification	Current	
	QR.'000	QR.'000	QR.'000	
Operating expenses	(10,806,132)	10,806,132	-	Operating expenses and selling, general and administrative expenses have been split out further into the financial statement line items alongside; and to separately present impairment on financial assets and non-financial assets on the face of the statement of profit or loss to comply with presenting the income statement appropriately by nature
Selling, general and	(5,966,048)	5,966,048	-	
Network, interconnect and other operating expenses	-	(13,194,381)	(13,194,381)	
Employee salaries and associated cost	-	(3,258,375)	(3,258,375)	
Impairment provision (reversal) on financial assets and other assets	(448,535)	448,535	-	
Impairment losses on goodwill and other non- financial assets	-	(407,184)	(407,184)	
Impairment losses on financial assets	-	(360,775)	(360,775)	
Other income – net	470,615	(470,615)	-	
Other income	-	458,026	458,026	
Other (losses)/ gains- net	-	12,589	12,589	
Net finance costs	(1,895,576)	1,895,576	-	Reclassified to present other income/expenses; and finance income and costs on a gross basis, as opposed to net to comply with IAS 1
Finance costs	-	(2,149,685)	(2,149,685)	
Finance income	-	254,109	254,109	
Total	(18,645,676)	-	(18,645,676)	

Ooredoo Q.P.S.C.

Consolidated financial statements
for the year ended 31 December 2021

(All amounts are expressed in Qatari Riyals unless otherwise stated)

48. COMPARATIVE INFORMATION (CONTINUED)

Consolidated statement of financial positions at 31 December 2020	For the year ended 31 December			Notes
	Previous QR.'000	Reclassification QR.'000	Current QR.'000	
Trade and other payables	15,613,600	(280,018)	15,333,582	Reclassified the accrued interest payable and profit payable on Islamic financing obligations from the trade and other payables line item to the loans and borrowings line item to comply with the requirements of IFRS 9 "Financial instruments"
Loans and borrowings - current	5,189,283	280,018	5,469,301	Reclassified contract costs from the "Contract assets and costs" line item to the "Trade and other receivables" line item and "Other non-current assets" line item in order to comply with the requirements of IAS1 "Presentation of financial statements" and IFRS 15 "Revenue from contracts with customers"
Contract costs and assets	556,039	(556,039)	-	
Contract costs – non-current	-	151,431	151,431	
Contract costs – current	-	196,958	196,958	
Trade and other receivables	7,612,862	170,251	7,783,113	
Other non-current assets	740,343	37,399	777,742	

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

49. EVENTS AFTER THE REPORTING DATE

On 4 January 2022, one of the subsidiaries of the Group namely Indosat Ooredoo (IO) completed a statutory merger with PT Hutchison 3 Indonesia ("H3I"), the Indonesian subsidiary of CK Hutchison Holdings Limited ("CKH").

The merger was approved by the shareholders on 28 December 2021. However, the remaining ministry approvals pending as of the balance sheet date to finalize the merger deal (Minister of Law and Human Rights and Ministry of Communication and Informatics) were only received on 4 January 2022. Accordingly, the merger was completed as of that date, the Group lost control over IO in which the Group had 65% shareholding, when the new board of directors came into effect.

The merged company will be jointly controlled by the two parties of the merger deal, whereby the Group will have 32.8% in the merged entity and will be equity accounted by the Group from the 4th January 2022.

The financial effects of this transaction have not been recognised at 31st December 2021, other than those disclosed in note 46, which details the assets and liabilities of IO classified as assets held for sale.

At the time the consolidated financial statements were authorised for issue, the Group had not yet completed the accounting for the merger. As such the financial effect of the transaction cannot be disclosed accurately.