

**OMAN TELECOMMUNICATIONS COMPANY SAOG**

**Condensed Consolidated Interim Financial Information (Unaudited)**  
**30 September 2024**

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**OMAN TELECOMMUNICATIONS COMPANY SAOG**
**Condensed Consolidated Statement of Financial Position as at 30 September 2024 (Unaudited)**

		<b>30 September 2024</b>	<b>31 December 2023</b>
		<b>Unaudited</b>	<b>Audited</b>
		<b>RO '000</b>	<b>RO '000</b>
Notes			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	3.1	<b>316,388</b>	428,635
Bank balances held in customers account	3.2	<b>20,578</b>	15,975
Trade receivables and other current assets		<b>1,448,813</b>	1,276,006
Contract assets		<b>132,538</b>	125,754
Inventories		<b>93,580</b>	81,006
Investment securities at fair value through profit or loss		<b>57,772</b>	49,040
		<b>2,069,669</b>	1,976,416
Assets of disposal group classified as held for sale	4	<b>6,370</b>	6,254
<b>Total Current assets</b>		<b>2,076,039</b>	1,982,670
<b>Non-current assets</b>			
Contract assets		<b>76,952</b>	70,037
Investment securities at fair value through profit or loss		<b>25,555</b>	25,357
Investment securities at FVOCI		<b>19,972</b>	14,412
Investment securities at amortised cost		<b>1,000</b>	1,000
Investments in associates and joint venture	5	<b>248,562</b>	239,848
Other non-current assets		<b>134,628</b>	75,454
Deferred tax asset		<b>29,539</b>	28,428
Right of use of assets		<b>294,057</b>	257,787
Property and equipment	6	<b>1,735,160</b>	1,828,373
Intangible assets and goodwill	7	<b>3,167,735</b>	3,232,476
<b>Total Non-current assets</b>		<b>5,733,160</b>	5,773,172
<b>Total Assets</b>		<b>7,809,199</b>	7,755,842
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables		<b>1,600,357</b>	1,566,444
Contract liabilities		<b>121,543</b>	120,235
Income tax payables	8	<b>31,447</b>	32,182
Borrowings	9	<b>726,209</b>	487,100
Lease liabilities		<b>43,879</b>	45,653
		<b>2,523,435</b>	2,251,614
Liabilities of disposal group classified as held for sale	4	<b>804</b>	1,244
<b>Total Current liabilities</b>		<b>2,524,239</b>	2,252,858
<b>Non-current liabilities</b>			
Borrowings	9	<b>1,743,232</b>	1,880,046
Lease liabilities		<b>346,060</b>	309,574
Other non-current liabilities	10	<b>376,982</b>	406,216
<b>Total Non-current liabilities</b>		<b>2,466,274</b>	2,595,836
<b>Total liabilities</b>		<b>4,990,513</b>	4,848,694
<b>Equity</b>			
Share capital	11	<b>75,000</b>	75,000
Own shares held by liquidity provider	11	<b>(153)</b>	-
Reserve on trading in own shares	11	<b>(1,487)</b>	-
Legal reserve	11	<b>25,000</b>	25,000
Voluntary reserve	11	<b>49,875</b>	49,875
Capital contribution	11	<b>7,288</b>	7,288
Capital reserve	11	<b>36,893</b>	36,893
Foreign currency translation reserve	11	<b>(117,951)</b>	(103,843)
Fair valuation reserve		<b>(5,178)</b>	(4,932)
Other reserves		<b>678</b>	822
Retained earnings		<b>564,660</b>	560,200
<b>Attributable to the Company's shareholders</b>		<b>634,625</b>	646,303
Non controlling interest		<b>2,184,061</b>	2,260,845
<b>Total equity</b>		<b>2,818,686</b>	2,907,148
<b>Total Liabilities and Equity</b>		<b>7,809,199</b>	7,755,842

The accompanying notes are an integral part of this condensed consolidated interim financial information. This condensed consolidated interim financial information was approved and authorized for issue by the Board of Directors on 14 November 2024.

Chairman

Director

Chief Executive Officer

**OMAN TELECOMMUNICATIONS COMPANY SAOG**
**Condensed Consolidated Statement of Profit or Loss – 30 September 2024 (Unaudited)**

		Three months ended 30 September		Nine months ended 30 September	
		2024	2023 (Restated)	2024	2023 (Restated)
	Notes	RO'000		RO'000	
<b>Continuing operations</b>					
Revenue		<b>770,234</b>	753,341	<b>2,239,864</b>	2,192,531
Cost of sales		<b>(262,303)</b>	(266,566)	<b>(778,006)</b>	(755,365)
<b>Gross profit</b>		<b>507,931</b>	486,775	<b>1,461,858</b>	1,437,166
Operating and administrative expenses		<b>(219,011)</b>	(216,256)	<b>(659,440)</b>	(628,612)
Depreciation, amortization and impairment		<b>(144,612)</b>	(137,874)	<b>(436,154)</b>	(408,583)
Allowance for expected credit loss on financial assets		<b>(20,556)</b>	(2,385)	<b>(46,698)</b>	(30,480)
<b>Operating profit</b>		<b>123,752</b>	130,260	<b>319,566</b>	369,491
Interest income		<b>2,751</b>	4,029	<b>9,862</b>	13,973
Investment income	12	<b>5,651</b>	(462)	<b>9,637</b>	2,654
Share of results of associates and joint venture		<b>1,292</b>	1,852	<b>4,564</b>	3,117
Other income/(expense)		<b>(4,243)</b>	(6,669)	<b>(4,765)</b>	(24,850)
Gain/(loss) on sale and lease back transaction		<b>2,160</b>	(3,668)	<b>2,160</b>	77,935
Finance costs	13	<b>(49,420)</b>	(52,943)	<b>(151,264)</b>	(147,883)
Gain from currency revaluation		<b>4,452</b>	2,078	<b>17,500</b>	1,647
Gain on disposal of subsidiary		-	686		686
Net monetary gain		<b>293</b>	-	<b>2,014</b>	-
<b>Profit before income taxes</b>		<b>86,688</b>	75,163	<b>209,274</b>	296,770
Income tax expenses		<b>(9,364)</b>	(9,124)	<b>(21,722)</b>	(23,604)
<b>Profit for the period</b>		<b>77,324</b>	66,039	<b>187,552</b>	273,166
<b>Attributable to:</b>					
Shareholders of the Company		<b>16,857</b>	16,327	<b>44,675</b>	57,917
Non-controlling interests		<b>60,467</b>	49,712	<b>142,877</b>	215,249
		<b>77,324</b>	66,039	<b>187,552</b>	273,166
<b>Earnings per share</b>					
Basic and diluted – RO	14	<b>0.023</b>	0.022	<b>0.060</b>	0.077

The accompanying notes are an integral part of this condensed consolidated interim financial information.

OMAN TELECOMMUNICATIONS COMPANY SAOG

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income –  
30 September 2024 (Unaudited)

	Three months ended 30 September		Nine months ended 30 September	
	2024	2023 (Restated)	2024	2023 (Restated)
	RO'000		RO'000	
<b>Profit for the period</b>	<b>77,324</b>	66,039	<b>187,552</b>	273,166
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations	(13,220)	1,000	(57,315)	(3,244)
Other reserves	(890)	(993)	(1,760)	(4,023)
	<u>(14,110)</u>	<u>7</u>	<u>(59,075)</u>	<u>(7,267)</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in the fair value of equity investments at FVOCI	1,311	(53)	(1,124)	497
Other reserves	(876)	1,886	-	1,886
	<u>435</u>	<u>1,833</u>	<u>(1,124)</u>	<u>2,383</u>
Total comprehensive income for the period	<b>63,649</b>	67,879	<b>127,353</b>	268,282
Total comprehensive income attributable to:				
Shareholders of the Company	<b>14,388</b>	14,222	<b>30,177</b>	50,829
Non-controlling interests	<b>49,261</b>	53,657	<b>97,176</b>	217,453
	<u><b>63,649</b></u>	<u>67,879</u>	<u><b>127,353</b></u>	<u>268,282</u>

The accompanying notes are an integral part of this condensed consolidated interim financial information.

OMANTELECOMMUNICATIONS COMPANY SAOG

Condensed Consolidated Statement of Changes in Equity – Nine months ended 30 September 2024 (Unaudited)

Note	<i>Attributable to equity holders of the parent</i>												Non-controlling interests	Total
	Share capital	Own shares held by liquidity provider	Reserve on trading in own shares	Legal reserve	Voluntary reserve	Capital contribution	Capital reserve	Foreign currency translation reserve	Fair value reserve	Other reserves	Retained earnings	Total		
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO '000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
At 1 January 2024	75,000	-	-	25,000	49,875	7,288	36,893	(103,843)	(4,932)	822	560,200	646,303	2,260,845	2,907,148
Profit for the period	-	-	-	-	-	-	-	-	-	-	44,675	44,675	142,877	187,552
Other comprehensive income for the period	-	-	-	-	-	-	-	(14,108)	(246)	(144)	-	(14,498)	(45,701)	(60,199)
Total comprehensive income for the period	-	-	-	-	-	-	-	(14,108)	(246)	(144)	44,675	30,177	97,176	127,353
Trading in own shares	11	(153)	(1,487)	-	-	-	-	-	-	-	-	(1,640)	-	(1,640)
On acquisition of subsidiary (note 2)	-	-	-	-	-	-	-	-	-	-	-	-	553	553
Application of IAS 29	19	-	-	-	-	-	-	-	-	-	990	990	3,535	4,525
Dividends	11	-	-	-	-	-	-	-	-	-	(41,205)	(41,205)	(178,048)	(219,253)
<b>At 30 September 2024</b>	<b>75,000</b>	<b>(153)</b>	<b>(1,487)</b>	<b>25,000</b>	<b>49,875</b>	<b>7,288</b>	<b>36,893</b>	<b>(117,951)</b>	<b>(5,178)</b>	<b>678</b>	<b>564,660</b>	<b>634,625</b>	<b>2,184,061</b>	<b>2,818,686</b>

The accompanying notes are an integral part of this condensed consolidated interim financial information.

OMANTELECOMMUNICATIONS COMPANY SAOG

Condensed Consolidated Statement of Changes in Equity – Nine months ended 30 September 2024 (Unaudited)

Note	<i>Attributable to equity holders of the parent</i>										Non-controlling interests	Total
	Share capital	Legal reserve	Voluntary reserve	Capital contribution	Capital reserve	Foreign currency translation reserve	Fair value reserve	Other reserves	Retained earnings	Total		
	RO'000	RO'000	RO'000	RO'000	RO'000	RO '000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
At 1 January 2023	75,000	25,000	49,875	7,288	36,893	(90,719)	(3,653)	5,204	530,408	635,296	2,251,640	2,886,936
Profit for the period	-	-	-	-	-	-	-	-	57,917	57,917	215,249	273,166
Other comprehensive income for the period	-	-	-	-	-	(3,221)	109	(3,976)	-	(7,088)	2,204	(4,884)
Total comprehensive income for the period	-	-	-	-	-	(3,221)	109	(3,976)	57,917	50,829	217,453	268,282
On acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	104	104
Additional capital	-	-	-	-	-	-	-	-	-	-	891	891
Dividends	11	-	-	-	-	-	-	-	(45,000)	(45,000)	(178,848)	(223,848)
At 30 September 2023	75,000	25,000	49,875	7,288	36,893	(93,940)	(3,544)	1,228	543,325	641,125	2,291,240	2,932,365

The accompanying notes are an integral part of this condensed consolidated interim financial information.

**OMAN TELECOMMUNICATIONS COMPANY SAOG**
**Condensed Consolidated Statement of Cash Flows – Nine months ended 30 September 2024 (Unaudited)**

	<b>Nine months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>RO'000</b>	<b>RO'000</b>
		Restated
<b>Cash flows from operating activities</b>		
Profit before tax for the period	<b>209,274</b>	296,770
Adjustments for:		
Depreciation, amortization and impairment	<b>436,154</b>	408,583
ECL on financial assets	<b>46,698</b>	30,480
Interest income	<b>(9,862)</b>	(13,973)
Investment income	<b>(9,637)</b>	(2,654)
Share of results of associates and joint venture	<b>(4,564)</b>	(3,117)
Finance costs	<b>151,264</b>	147,883
Gain on sale and lease back transaction	<b>(2,160)</b>	(77,935)
Gain from currency revaluation	<b>(17,500)</b>	(1,647)
Gain on disposal of subsidiary	<b>-</b>	(686)
Net monetary gain	<b>(2,014)</b>	-
Loss on sale of property and equipment	<b>163</b>	327
Operating profit before working capital changes	<b>797,816</b>	784,031
Bank balances held in customers account	<b>(4,352)</b>	-
Trade and other receivables and contract assets	<b>(192,000)</b>	(191,956)
Inventories	<b>(10,514)</b>	(4,139)
Trade and other payables	<b>(82,394)</b>	(34,994)
Cash generated from operations	<b>508,556</b>	552,942
Income tax paid	<b>(18,544)</b>	(22,065)
<i>Net cash from operating activities</i>	<b>490,012</b>	530,877
<b>Cash flows from investing activities</b>		
Deposits maturing after three months and cash at bank under lien	<b>(2,465)</b>	(1,776)
Investment in securities (net)	<b>(5,626)</b>	2,207
Investment in associate	<b>(1,822)</b>	(2,259)
Acquisition of subsidiaries (net of cash acquired)	<b>(5,383)</b>	(13,535)
Acquisition of property and equipment (net)	<b>(223,205)</b>	(228,396)
Acquisition of intangible assets (net)	<b>(45,455)</b>	(47,127)
Proceeds from sale of telecom assets (sale and lease back)	<b>7,592</b>	246,502
Dividend received	<b>3,764</b>	2,108
Interest received	<b>4,616</b>	5,526
<i>Net cash used in investing activities</i>	<b>(267,984)</b>	(36,750)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>521,966</b>	243,661
Repayment of borrowings	<b>(454,088)</b>	(385,071)
Repayment of lease liabilities and financing for impact of above market terms	<b>(60,118)</b>	(58,419)
Acquisition of own shares through liquidity provider	<b>(1,640)</b>	-
Dividends paid to Company's shareholders	<b>(41,205)</b>	(45,000)
Share capital from minority shareholders of subsidiaries	<b>-</b>	480
Dividends paid to minority shareholders of subsidiaries	<b>(144,480)</b>	(178,577)
Finance costs paid	<b>(121,637)</b>	(113,753)
<i>Net cash used in financing activities</i>	<b>(301,202)</b>	(536,679)
Net decrease in cash and cash equivalents	<b>(79,174)</b>	(42,552)
Effect of exchange rate change on cash and cash equivalents	<b>(35,079)</b>	(5,211)
Cash and cash equivalents at beginning of period	<b>427,285</b>	432,284
<b>Cash and cash equivalents at end of period (note 3)</b>	<b>313,032</b>	384,521

The accompanying notes are an integral part of this condensed consolidated interim financial information.



**1. Incorporation and activities**

Oman Telecommunications Company SAOG (the “Parent Company” or the “Company”) is an Omani joint stock company registered under the Commercial Companies Law of the Sultanate of Oman. The Company’s principal place of business is located at Madinat al Irfan, Muscat, Sultanate of Oman. The Company’s shares are listed on Muscat Stock Exchange.

The principal activities of the Company are establishment, operation, maintenance and development of telecommunication services in the Sultanate of Oman. The Company and its subsidiaries (“the Group”) along with its associates provides telecommunications services in Sultanate of Oman and 8 other countries.

**2. Basis of preparation**

These condensed interim consolidated financial statements for nine months ended 30 September 2024 have been prepared in accordance with IAS 34: Interim Financial Reporting and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2023 (“last annual financial statements”). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

The condensed interim consolidated financial statements are presented in Rial Omani (RO) which is also the Parent Company’s functional currency. The functional currency of all the subsidiaries are consistent with annual consolidated financial statements except for Atheer where the functional currency was changed from US Dollar to Iraqi Dinar with effect from 1 January 2024.

The Group has prepared the condensed interim consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The economy of Republic of South Sudan became hyperinflationary in 2016. Accordingly, the results, cash flows and financial position of the Group’s subsidiary in South Sudan have been expressed in terms of the measuring unit current at the reporting date in accordance with IAS 29: Financial Reporting in Hyperinflationary Economies till 31 December 2023.

In 2015, the Group noted that the economy of the Republic of Sudan, where the Group has subsidiaries, may be hyperinflationary from the beginning of 2015. This was based on the general price index showing the cumulative three-year rate of inflation exceeding 100% at that time. However, International Accounting Standard, IAS 29: Financial Reporting in Hyperinflationary Economies, does not establish an absolute rate at which hyperinflation is deemed to arise and states that it is a matter of judgment when restatement of financial statements in accordance with this Standard becomes necessary. In addition, the Group noted that in the 2014 International Monetary Fund (IMF) Sudan country report, the cumulative projected three-year inflation rate outlook for Sudan in 2016 to be around 57% and thus, applying IAS 29 in 2015, could have entailed going in and out of hyperinflation within a short period which was confirmed when the Republic of Sudan went out of hyperinflation in 2016. The Republic of Sudan has been again declared as hyperinflationary in 2018. Based on the above matters, the Group believes that there is no definitive basis to apply IAS 29 at this stage. However, the Group will review it on an ongoing basis, accordingly it has not quantified the impact of applying IAS 29 in previous years and as of 30 September 2024.

This condensed consolidated interim financial information does not contain all of the information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2024, including the impact of the matter stated above regarding application of IAS 29. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended 31 December 2023.

**2. Basis of preparation (continued)****Changes in accounting policy and disclosures**

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group as follows;

*Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

*Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's condensed interim consolidated financial statements.

*Amendments to IFRS 16: Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

These amendments had no impact on the Group's condensed interim consolidated financial statements.

**Significant judgments and estimates**

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2023.

**2. Basis of preparation (continued)****Functional and presentation currency – Atheer Telecom Iraq Limited (“Atheer”)**

The Government of Iraq passed a resolution in April 2023 that all monetary transactions within the country will be denominated and settled in Iraqi Dinar, with no effective date of implementation. The Central Bank of Iraq announced in October 2023 banning all cash withdrawals and transactions in US Dollars with effect from 1 January 2024. Accordingly, Atheer has started the process of revising its contracts with suppliers in line with this change and believes that the functional currency of Atheer has changed from US Dollar to Iraqi Dinar with effect from 1 January 2024. This is because the currency of the primary economic environment in which Atheer operates has changed from US Dollar to Iraqi Dinar. Therefore, from 1 January 2024 onwards, the functional currency of Atheer is Iraqi Dinar. In accordance with IAS 21 this change has been accounted for prospectively from this date.

**Political uncertainty in Sudan**

A violent power struggle erupted on 15 April 2023, in Khartoum, the capital of Sudan, involving the two primary factions of the ruling military regime. This conflict has directly affected the Group's operations and its telecommunication assets, as certain areas in Sudan continue to experience high levels of hostility or temporary control by opposing forces. Given the Group's extensive presence and service provision across Sudan, these events have had an adverse impact on the country's economy and consequently, on the Group's business and operational outcomes.

As of the issuance date of these interim condensed consolidated financial statements, the Group has not incurred any significant damage to crucial assets that would hinder its ability to sustain operations.

Since 15 April 2023, continuous monitoring of network and base station equipment has been in place, particularly in areas experiencing significant downtime. Various actions, such as reallocation of network traffic, capacity expansion, and other measures aimed at restoring network coverage and ensuring satisfactory network performance, are being implemented. Zain Sudan is actively involved in performing essential network maintenance, repairs, and optimizations utilizing both its current equipment and external resources. Zain Sudan currently holds agreements with suppliers of network equipment, and transportation routes for its delivery are accessible in all regions of Sudan, except for North Darfur, North Kordofan, Wad-Madani and Khartoum and Sinnar (directly impacting White Nile & Blue Nile areas), which are facing the most significant impact from the ongoing hostilities.

Republic of Sudan experienced a network blackout starting from 7 February 2024 as all the three main internet operators in Sudan were either partially or completely offline and discussions to resolve this issue are in progress. Subsequently, in the first week of March 2024, Zain Sudan restored its services in Port Sudan and other neighboring states by setting up a new switch and data center in Port Sudan.

**2. Basis of preparation (continued)**

The Group has taken appropriate actions to ensure the continuity of communication services and operations. The management has prepared and reviewed the updated financial forecasts for the year, taking into consideration most likely and possible downside scenarios for the ongoing business impacts of the war. These forecasts were based on the following key assumptions:

- there will be no substantial increase in the intensity of hostilities, thereby not adversely impacting the number of active sites, significantly.
- Zain Sudan will have the capability to conduct maintenance and repair tasks in the affected territories of Sudan, ensuring a satisfactory level of network performance in regions where it is feasible while considering the physical security of technical specialists;
- there will be no significant fluctuations in the fuel rate, foreign exchange rates and other major costs during the course of the conflict;
- Zain Sudan will be able to ensure the uninterrupted functioning of its crucial IT infrastructure, aligning with management's implemented measures and incident response and disaster recovery plans;
- the generated revenue from service and product sales will be sufficient for Zain Sudan to meet both operating expenses and essential capital investments.

Based on these forecasts, considering possible adverse scenarios, management reasonably expects that the Group possesses adequate resources to effectively handle its operations in Sudan. Management will maintain ongoing monitoring of the potential repercussions and will proactively implement all available measures to minimize any adverse consequences.

If a worst-case scenario unfolds with widespread hostilities across Sudan, it can be anticipated that the Group's operations may encounter disruptions for an indeterminate duration. This represents an uncertainty that is beyond the control of the Group. After evaluating the revised forecasts, management has examined Zain Sudan's capability to operate as a going concern at the time of releasing these interim condensed consolidated financial statements. As a result, it has determined that there are no significant uncertainties that could impede the Zain Sudan's infrastructure and operations, thereby casting significant doubt on its ability to continue as a going concern. Consequently, Zain Sudan is expected to be able to realize its assets and fulfill its obligations in the ordinary course of business.

The management of Zain Sudan has concluded that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Because of the ongoing conflict in Sudan as described above, there have been some damages to network equipment, spares and inventories. Unfortunately, the current situation is not viable for the management of the Zain Sudan to access these areas and take stock of the actual damages and losses due to continuing hostilities in these regions. Based on an initial assessment of the damages mainly in the main warehouse in Khartoum, Zain Sudan has recorded an impairment loss of SDG 25.51 billion (RO 16.95 million) on its property and equipment and a provision for damage to its inventories amounting to SDG 2.31 billion (RO 1.54 million) respectively during the previous year.

**2. Basis of preparation (continued)**

Due to this unrest, Zain Sudan is not able to exercise control over some of its property and equipment with a net book value of SDG 29.53 billion (RO 6.87 million) representing 2,003 network sites as of 30 September 2024 due to security concerns in certain locations in Sudan. The management of Zain Sudan does not expect any significant damage to the Zain Sudan's network sites in the Sudanese regions of North Darfur, North Kordofan, Wad-Madani and Khartoum and has concluded that the affected sites have the ability to generate future economic benefits. However, for prudence's sake Zain Sudan management has recognized an impairment loss of SDG 29.53 billion (RO 6.87 million) for network sites and related equipment and SDG 5.25 billion (RO 1.22 million) for network assets under Capital work in progress during the nine months ended 30 September 2024.

The Zain Sudan's management estimate such losses are fully covered under the Political Violence Insurance Policy which is valid from 6 July 2022 to 5 July 2023. A claim totaling USD 47.980 million (RO 18.43 million) with the insurer mainly relating to the equipment, spares and commercial items in the main warehouse which was partially set on fire during the conflict. According to the Political Violence Insurance Policy, Zain Sudan is also eligible for 'Business Interruption' claim settlement covering a twelve-month indemnity period from the date of loss. In the opinion of Zain Sudan's management, losses, if any, will be fully recovered from the insurance company and based on the current assessment per available information, no significant financial impact is anticipated on the condensed consolidated interim financial information as the Group management consider this unrest to be temporary and expects it to be resolved on a priority basis.

**Acquisition of Subsidiaries***Specialized Technical Services Company BVI*

In March 2024, the Group acquired 100% equity interest of Specialized Technical Services Company BVI ("STS") for a purchase consideration of USD 25.759 million (RO 9.97 million) (to be updated based on completion of accounts as per the terms of share purchase agreement) of which an amount of USD 16.697 million (RO 6.46 million) was paid during the period. The net cash outflow (net of cash and cash equivalents acquired) during the period on acquisition amounts to USD 10.067 million (RO 3.841 million). The recognized amounts of net assets of STS as at the date of acquisition was USD 12.264 million (RO 4.711 million), resulting in a provisional goodwill of USD 13.495 million (RO 5.22 million). The provisional values assigned to the identifiable assets and liabilities as at the date of acquisition, are subject to review within one year of acquisition on finalization of the Purchase Price Allocation (PPA). STS is a company incorporated in British Virgin Islands engaged in providing digital transformation solutions in Jordan, KSA and other countries.

*Xenon Electronic Payment Company W.L.L*

During 2023, the Group acquired 83.39% equity interest of Xenon Electronic Payment Company W.L.L ("Bookeey") for a purchase consideration of RO 3.04 million. The provisional values of recognized amounts of net assets of Bookeey as at the date of acquisition was RO 0.842 million, resulting in a goodwill of RO 2.34 million. During the period, the Group finalized the Purchase Price Allocation ("PPA") exercise of Bookeey, and accordingly the financial statements have been adjusted to reflect the PPA adjustment to the provisional amounts. The adjustments resulted in an increase in 'License' by RO 2.33 million, increase in 'non-controlling interest' by RO 0.387 million and decrease in Goodwill by RO 1.94 million in the Group's consolidated financial statements as at the acquisition date. The cumulative impact of these PPA related adjustments was passed in Q1 2024.

*IBN Firnas Drone Centre LLC*

In July 2024, the Group acquired 55% equity interest of IBN Firnas Drone centre LLC (IBN Firnas) for a purchase consideration of RO 0.825 million. The provisional values of recognized amounts of net assets as at the date of acquisition was RO 0.202 million resulting in a good will of RO 0.623 million. The provisional values assigned to the identifiable assets and liabilities as at the date of acquisition, are subject to review within one year of acquisition on finalization of the Purchase Price Allocation (PPA). IBN Firnas is a company incorporated in Sultanate of Oman and is engaged in providing Drone solutions as a service.

**Financial support to Group companies**

The Group has committed to provide working capital and other financial support to certain subsidiaries including Mobile Telecommunications Company Saudi Arabia ("SMTC") and Zain Jordan (Pella) whose working capitals are in deficit. Based on business plans, the Group does not expect these conditions will have a material adverse impact on the operations of these Group companies.

**3. Cash, bank and other balances****3.1 Cash and bank balances**

Cash and bank balances include the following cash and cash equivalents:

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 December
	<b>2024</b>	2023
	<b>RO'000</b>	RO'000
Cash on hand and at banks	<b>305,329</b>	276,999
Short-term deposits with banks	<b>44,363</b>	185,248
Government certificates of deposits held by subsidiaries	<b>4</b>	7
	<b>349,696</b>	462,254
Expected credit loss	<b>(33,308)</b>	(33,619)
	<b>316,388</b>	428,635
Cash at bank under lien	<b>(295)</b>	(1,343)
Short term deposits with banks exceeding maturity of three months	<b>(3,057)</b>	-
Government certificates of deposits with maturities exceeding three months held by subsidiaries	<b>(4)</b>	(7)
Cash and cash equivalent in the condensed consolidated statements of cash flows	<b>313,032</b>	427,285

**3.2 Bank balances held in customers' account**

Bank balances held in customers' Account as part of electronic payment services provided by the Group are presented separately from cash and cash equivalents in the statement of financial position of the Group. The regulations in respective locations require that these balances with banks are held in a manner to ensure that these balances are not co-mingled with the Group's cash and cash equivalents.

**4. Assets and liabilities of disposal group classified as held for sale and discontinued operations****Assets and liabilities of disposal group classified as held for sale – Oman, Kuwait and KSA**

Assets and liabilities of disposal group classified as held for sale represents telecom tower assets, classified as held for sale, on the basis of plan to sale and lease back of those assets.

*Oman*

On 11 May 2021, Parent Company entered into an agreement with Helios Towers PLC for the sale and lease back of telecom towers in Oman. On 7 December 2022, Parent Company after meeting the conditions precedent under the agreement, completed the sale and lease back of 2,519 telecom towers in Oman for a consideration of USD 494 Million (RO 190.263 Million) as part of Phase 1 of the transaction. Towers sold will be leased back for a period of 15 years. Phase 2 of the transaction envisages a further transfer of 227 sites which is expected to be completed within 18 months from the date of completion of the Phase 1 of the transaction. During the period the long stop date for the closure of Phase 2 of the transactions is extended to 22 November 2024.

## Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)

*Kuwait*

Between 2020 and 2023 the Company completed the sale and lease back of 1,499 telecom towers in Kuwait.

*KSA*

During the nine months period ended on 30 September 2024, SMTC sold and leased back 199 sites, resulting in derecognition of net book value of assets amounting to SAR 49.6 million (RO 5.04 million) with a gain of SAR 19 million (RO 1.93 million). This also resulted in derecognition of right of use of assets and lease liabilities of SAR 37 million (RO 3.76 million) and SAR 39.3 million (RO 4.00 million) respectively with gain of SAR 2.2 million (RO 0.23 million).

Total gain realized for the transaction during the nine months period ended 30 September 2024 amounts to SAR 21.2 million (RO 2.3 million).

	Total (RO'000)		
	Oman	Kuwait	30 September 2024
	RO'000	RO'000	RO'000
Telecom tower assets	1,296	1,076	2,372
Right of use of assets	-	3,998	3,998
	1,296	5,074	6,370
Lease liabilities	-	804	804

**5. Investments in associates and joint venture****5.1 Investment in associates**

	Unaudited	Audited
	30 September 2024	31 December 2023
	RO'000	RO'000
Oman Fibre Optic Co SAOG	9,594	8,945
Majan Telecommunications LLC	5,144	5,419
Equinix Muscat LLC	2,849	2,443
Pearl REIF Fund	15,343	15,528
Etlag Services LLC	1,350	-
TASC Towers Holding Limited (refer note (i) below)	98,838	98,406
IHS Kuwait Ltd	1,728	1,300
Others	1,223	1,374
	136,069	133,415

## i) TASC Towers Holding Limited

The Group determines that it does not have the control over TASC on the basis that the Group does not have majority representation in the Board under the terms agreed in the agreement between TASC shareholders.

In December 2023, the Group signed definitive agreements with Ooredoo Group Q.P.S.C ("Ooredoo") for a merger transaction to combine both company's passive infrastructures (towers) via a cash and share deal. The Group and Ooredoo will contribute assets and cash to the newly formed tower company to retain a 49.3% stake each in the newly formed tower company. The transaction (initial market closings) is in progress and is expected to be completed during the year.

**5.2 Investment in joint venture**

## Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)

This includes Group's RO 112.493 million (31 December 2023 - RO 106.433 million) interest in the joint venture, Zain Al Ajial S.A. that owns 31% of the equity shares and voting rights of Wana Corporate (a Moroccan joint stock company that is specialized in the telecom sector in that country). The carrying value of this joint venture and its results for the year are determined by Group management using equity method based on management information provided by Wana Corporate.

**6. Property and equipment**

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 December
	<b>2024</b>	2023
	<b>RO'000</b>	RO'000
Net fixed assets	<b>1,490,722</b>	1,509,740
Capital work in progress	<b>244,438</b>	318,633
	<b>1,735,160</b>	1,828,373

During the nine-months period ended 30 September 2024, the Group acquired property and equipment amounting to RO 164.0 million (30 September 2023: RO 146.7 million). Depreciation charged for the period amounted to RO 242.9 million (30 September 2023: RO 237.4 million).

The Group has recognized an impairment loss of RO 8.1 million (30 September 2023: Nil) for property and equipment during the period ended 30 September 2024 (note 2.3).

**7. Intangible assets and goodwill**

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 December
	<b>2024</b>	2023
	<b>RO'000</b>	RO'000
Intangible assets	<b>2,130,035</b>	2,214,758
Goodwill	<b>1,025,164</b>	1,004,996
Capital work in progress	<b>12,536</b>	12,722
	<b>3,167,735</b>	3,232,476

During the nine-months period ended 30 September 2024, the Group acquired intangible assets amounting to RO 34.3 million (30 September 2023: RO 21.4 million). Amortization charged for the period amounted to RO 139.3 million (30 September 2023: RO 131.5 million).

During the period the Group recognized additional goodwill of RO 5.22 Mn as a result of acquisition of STS and RO 0.623 Mn as a result of acquisition of IBN Firnas Drone Centre LLC (note 2). This is provisional and subject to PPA.

**8. Income tax payables**

Income tax payables mainly includes current tax payables by the Parent company's and the Group's subsidiaries in Iraq, Jordan and Sudan.

*Parent Company*

Tax assessments for Parent Company (Sultanate of Oman) are finalized till tax years 2019. During the year 2023, Oman tax authority carried a reassessment for the tax year 2017 raising a demand for RO 1.8 million disallowing certain write offs with respect to an investment in an erstwhile subsidiary. During the period the Company filed an objection against the reassessment order which was decided against the Company. The Company is in the process of filing a grievance with the tax committee.

For tax year 2019, Oman tax authority raised a demand for RO 2.5 million disallowing certain write offs on debtors and inventory. During the period Company filed an objection against the order which was decided against the Company. The impact of such disallowances for the remaining tax years from 2020 to 2023 is estimated to be an



## Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)

additional amount of RO 3.6 million. The Company believes that no material additional tax liability will arise upon completion of the assessments for the remaining tax years.

## 9. Borrowings

	Unaudited 30 September 2024 RO'000	Audited 31 December 2023 RO '000
<i>Parent Company</i>		
Short term loan	31,000	25,000
Bridge loan	-	177,146
Other long term loans	6,523	7,684
	<u>37,523</u>	<u>209,830</u>
<i>Oztel</i>		
Bonds	269,924	264,988
<i>OTEL Sukuk Limited</i>		
Sukuk	192,550	-
<i>Oman Data Park</i>		
Long term loans	10,428	9,400
<i>Mobile Telecommunications Company-Kuwait</i>		
Short term loans	-	30,278
Long term loans	807,605	692,836
	<u>807,605</u>	<u>723,114</u>
<i>SMTC</i>		
Short term loans	51,119	-
Long term loans	543,798	527,319
Payable to Ministry of Finance-KSA (Murabaha facility)	198,945	261,154
	<u>793,862</u>	<u>788,473</u>
<i>Pella</i>		
Long term loans	99,879	98,406
<i>Atheer</i>		
Bank overdrafts	-	633
Long term loans	251,647	266,347
	<u>251,647</u>	<u>266,980</u>
<i>Future cities SAOC</i>		
Long term loan	3,866	4,728
<i>Others</i>		
Bank Overdrafts	111	1,227
Short term loans	980	-
Long term loans	1,066	-
	<u>2,157</u>	<u>1,227</u>
	<u>2,469,441</u>	<u>2,367,146</u>

The current and non-current amounts are as follows:

Unaudited	Audited
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## Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)

	30 September 2024	31 December 2023
	RO'000	RO '000
Current liabilities	726,209	487,100
Non-current liabilities	1,743,232	1,880,046
	<b>2,469,441</b>	<b>2,367,146</b>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Unaudited 30 September 2024	Audited 31 December 2023
	RO'000	RO '000
US Dollar	1,035,305	1,127,542
Kuwaiti Dinar	705,245	509,178
Saudi Riyals	681,918	690,072
Omani Rial	45,404	40,354
Others	1,569	-
	<b>2,469,441</b>	<b>2,367,146</b>

The effective interest rate as at 30 September 2024 was 5.375% to 6.66% (30 September 2023 – 6.05% to 7.09%) per annum.

The Parent Company is compliant with the principal covenant ratios which include:

- Net borrowings to earnings before interest tax depreciation and amortization (EBITDA) at consolidated level excluding Zain group
- Interest coverage ratio

The Group is compliant with the principal covenant ratios, which include:

- consolidated net borrowings to adjusted consolidated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA);
- adjusted consolidated EBITDA to adjusted consolidated net interest payable;
- consolidated net borrowings to consolidated net worth (equity);

#### Parent Company and Oztel

##### Short term loan

During the period the Parent Company :

- drawn down RO 76 million (31 December 2023: RO 80 million) from a revolving credit facility of RO 235 million.
- repaid RO 45 million (31 December 2023: RO 55 million) from a revolving credit facility of RO 235 million.

The facility carries a fixed margin over the one year cost of fixed deposit of the bank.

##### Bridge loan

On 19 October 2023, the Parent company acquired a bridge loan of USD 460 million to repay the 5.5 year bonds. The bridge loan carries an interest rate of 3 months Term SOFR plus a margin of 1 percent with the effective interest rate being 6.39%. The loan is unsecured.

On 24 January 2024, the Parent Company through its Special Purpose vehicle OTEL Sukuk Limited issued a 7 year Sukuk for USD 500 million. The proceeds were utilized to repay the bridge loan of USD 460 million.

*Other long term loans*

Export credit loan with an outstanding balance of USD 16.9 million (RO 6.5 million) (31 December 2023-USD 20.0 million (RO 7.7 million) from a consortium of banks to finance the procurement of capital equipment. The loan is unsecured. The facility carries an interest of 2.28% p.a

*Bonds*

The bond is denominated in US Dollars and is listed on the Irish stock exchange . It's a 10 years bond with face value of USD 688.1 million (2023: USD 688.1 million) with coupon rate of 6.63% per annum. The bonds are due for payment in year 2028. The effective interest on the bond is 7.09%. The fair value of the bond as at 30 September 2024 is USD 719.9 million (31 December 2023: USD 720 million)

*OTEL Sukuk Limited*

During the period, OTEL Sukuk limited issued USD 500 million (2023 : NIL) Sukuk for a period of 7 years with a coupon rate of 5.375% per annum. The bond is due for repayment in the year 2031. The fair value of Sukuk as at 30 September 2024 is USD 503.1 million.

*Mobile Telecommunications Company K.S.C.P*

During the period, the Company has;

- drawn down loans amounting to RO 182.4 million from existing and new facilities (31 December 2023 - RO 185.55 million). This includes:
  - RO 125.8 million of long-term facility amounting to RO 125.8 million.
  - RO 37.7 million of long-term facility amounting to RO 37.7 million.
  - RO 18.9 million of long-term facility amounting to RO 117 million.
- repaid loans amounting to RO 112.2 million (31 December 2023 – RO 154.59 million). This includes:
  - US\$ 80 million (RO 30.8 million) of a revolving credit facility amounting to US\$ 130 million.
  - US\$ 145 million (RO 55.8 million) of a term loan facility amounting to US\$ 200 million.
  - KD 15 million (RO 18.8 million) of a revolving credit facility amounting to KD 100 million.

The above facilities carry a fixed margin over three month CME term Secured Overnight Financing Rate (CME term SOFR) or over Central Bank Discount rate.

*SMTC*

Long-term loans include:

- 1) SAR 4,765 million (RO 487.2 million) (31 December 2023: SAR 5,233 million equivalent to RO 527.32 million) syndicated murabaha facility availed from a consortium of banks.

In September 2020, SMTC signed an Amendment Agreement (the Agreement) with the consortium of lenders to refinance the Murabaha facilities that existed as of that date and to secure additional funding for future capital investment.

The Agreement:

- a. Includes a Total Term Murabaha Facility of SAR 6,000 million (RO 613.4 million), consisting of SAR 4.880 billion (RO 498.9 million) and US\$ portion of SAR 1.120 billion (RO 114.5 million) for refinancing of the existing Term Murabaha Facility amounting to SAR 3.48 billion (RO 355.8 million) and balance for future specified business purposes. SAR 2.560 million (RO 261.7 million) of the syndicated loan has been hedged through a profit rate swap contract.
- b. Includes a revolving working capital facility of SAR 1,000 million (RO 102.2 million) consisting of SAR 813.393 million (RO 83.2 million) and a US\$ portion totaling to SAR 186.607 million (RO 19.1 million).

The Murabaha Facility continues to be secured partially by a guarantee from the Company and a pledge of the Company's and some of the founding shareholders' shares in SMTC and assignment of certain contracts and receivables. Under the Murabaha Financing Agreement, SMTC can declare dividend or other distribution in cash or in kind to shareholders, provided SMTC is in compliance with all its obligations under the agreement.

- 2) During 2013, SMTC signed an agreement with the Ministry of Finance – KSA to defer payments that are due until 2021. The amounts are repayable in seven years starting from June 2021.

In February 2023, SMTC has signed a revised agreement with the Ministry of Finance ("MOF"), Kingdom of Saudi Arabia under which the existing deferral of payment to MOF along with commercial commission payable is converted into a Murabaha facility with MOF and Al Rajhi Banking & Investment Corporation has been appointed as the Murabaha Facility Agent. The liability matures on June 2027 with yearly scheduled repayment on 1 June every year till maturity, starting from June 2023.

- 3) During the period, SMTC signed with Al Rajhi bank in KSA for SAR 1,125 million (RO 115.0 million) facility to fund for the CAPEX payment against several projects and receivables discounting banking facility up to SAR 500 million (RO 51.2 million). SMTC have availed SAR 565 million (RO 57.8 million) of the CAPEX facility and SAR 500 million (RO 51.2 million) of the account receivable factoring facility as at the reporting period. The interest amounting to SAR 12.69 million (RO 1.3 million) has been capitalized by SMTC during nine months ended 30 September 2024, based on effective interest rate of the loan.

#### *Zain Jordan*

Long term loans include:

- 1) US\$ 160 million (RO 61.5 million) (31 December 2023 – US\$ 160 million equivalent to RO 60.55 million) term loan from a commercial bank which is repayable by 11 October 2025.
- 2) US\$ 100 million (RO 38.4 million) (31 December 2023 – US\$ 100 million equivalent to RO 37.84 million) term loan from a commercial bank which is repayable by 30 April 2027.

#### *Atheer*

Long term loans include:

- 1) US\$ 50 million (RO 19.2 million) (31 December 2023 – US\$ 50 million equivalent to RO 18.92 million) term loan from a commercial bank which is repayable by 17 December 2024.
- 2) US\$ 105 million (RO 40.3 million) (31 December 2023 – US\$ 105 million equivalent to RO 39.74 million) term loan from a commercial bank which is repayable by 30 June 2026.
- 3) US\$ 125 million (RO 48.0 million) (31 December 2023 – US\$ 125 million equivalent to RO 47.31 million) revolving credit facilities from a commercial bank which is repayable by 17 December 2025.
- 4) US\$ 100 million (RO 38.4 million) (31 December 2023 – US\$ 100 million equivalent to RO 37.385 million) term loan from a commercial bank which is repayable by 30 July 2026.
- 5) US\$ 50 million (RO 19.2 million) (31 December 2023 – US\$ 50 million equivalent to RO 18.92 million) term loan from a commercial bank which is repayable by 24 April 2027. In April 2024, this was rescheduled to a revolving credit facility which is repayable by 24 April 2027.

## Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)

- 6) US\$ 125 million (RO 48.0 million) (31 December 2023 – US\$ 125 million equivalent to RO 47.31 million) term loan from a commercial bank which is repayable by 03 May 2025.
- 7) US\$ 100 million (RO 38.4 million) (31 December 2023 – US\$ 100 million equivalent to RO 37.84 million) term loan from a commercial bank which is repayable by 19 August 2027.

These facilities are guaranteed by MTC and carry a floating interest rate of a fixed margin over three month SOFR.

*Future cities SAOC*

Long term loans include:

RO 3.866 million term loan (31 December 2023: RO 4.728 million) from a commercial bank which is repayable by 31 July 2027 at an interest rate of 6% pa (31 December 2023: 5.5%). The loan is secured by assignment of receivables.

**10. Other non-current liabilities**

	Unaudited 30 September 2024 RO'000	Audited 31 December 2023 RO '000
Due for acquisition of spectrum-KSA	176,482	193,678
Payable towards Sale and lease back financing-Parent company	87,283	90,930
Customer deposits	5,579	5,567
Post-employment benefits	77,220	70,386
Others	30,418	45,655
	<b>376,982</b>	<b>406,216</b>

**11. Share capital**

*Share capital (par value of RO 0.100 per share)*

	Unaudited 30 September 2024 No. of shares	Audited 31 December 2023 No. of shares
<i>Authorised, Issued and fully paid up</i>	<b>750,000,000</b>	750,000,000
	<b>RO'000</b>	RO'000
<i>Authorised, Issued and fully paid up</i>	<b>75,000</b>	75,000

Shareholders of the Company who own not less than 10% of the Company's shares at the reporting date are as follows:

	30 September 2024 No. of shares	31 December 2023 No. of shares
United International Telecommunications Investment and Projects LLC	<b>382,500,345</b>	382,500,345

*Own shares held by liquidity provider*

During 2024, the Parent company engaged a third party licensed liquidity provider on Muscat Securities Exchange (MSX) to facilitate the selling and buying of its own shares. At 30 September 2024 the liquidity provider held RO 0.153 million of the shares on behalf of the Company at par value.

The premium recognized on trading in its shares is recorded as "Reserve on trading in own shares". Such reserve which amounted to RO 1.487 million is classified under equity. Included under the reserve is a net loss of RO 0.099 million realized during the period ended 30 September 2024.

*Legal reserve*

In accordance with the Oman Commercial Companies Law of 2019, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one third of the value of the respective Omani entity's paid-up share capital. This reserve is not available for distribution. As the reserve equals one third of paid up share capital, the Company has discontinued the transfer.

*Voluntary reserve*

In accordance with the Board of Directors' Resolution No.16T/5/2000, the Parent Company transfer 10% of its annual net profits to a distributable voluntary reserve until it becomes equal to one-half of the entity's paid up share capital. As the reserve equals at least half of paid up share capital, the Company has discontinued the transfer.

*Capital contribution*

The excess of the valuation of the fixed licence of the Parent company over the amounts paid to TRA in year 2004 is recognised as a non-distributable capital contribution within equity.

*Capital reserve*

This is a non-distributable reserve and represents the fair value in excess of the amount paid for the mobile license, which expired in February 2019.

*Foreign currency translation reserve*

Foreign currency translation reserve mainly represents foreign exchange translation losses arising from Zain Group, Zain Sudan and Zain South Sudan.

*Dividend – 2023*

The annual general meeting of shareholders for the year ended 31 December 2023 held on 30 March 2024 approved distribution of final dividends of 55 baiza per share for the year 2023 (31 December 2022 – 55 baiza).

**12. Investment income**

	<b>Three months ended 30 September (Unaudited)</b>		<b>Nine months ended 30 September (Unaudited)</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RO'000</b>	RO'000	<b>RO'000</b>	RO'000
Gain/(loss) from investment securities at fair value through profit or loss (FVTPL)	<b>5,644</b>	(593)	<b>8,906</b>	2,003
Dividend income	<b>7</b>	131	<b>731</b>	651
	<b>5,651</b>	(462)	<b>9,637</b>	2,654

**13. Finance costs**

Finance costs consists of:

<b>Three months ended</b>	<b>Nine months ended</b>
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## Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)

	30 September (Unaudited)		30 September (Unaudited)	
	2024	2023	2024	2023
		Restated		Restated
	RO'000	RO'000	RO'000	RO'000
Due to banks	33,405	34,538	103,692	101,919
Lease liabilities	7,185	7,489	21,356	20,586
License and spectrum	2,990	2,200	8,920	7,841
Ministry of Finance (KSA)	3,777	5,078	12,614	11,879
Others	2,063	3,638	4,682	5,658
	<b>49,420</b>	<b>52,943</b>	<b>151,264</b>	<b>147,883</b>

**14. Earnings per share**

Basic and diluted earnings per share based on the weighted average number of shares outstanding during the period are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023
	RO'000	RO'000	RO'000	RO'000
	(Restated)		(Restated)	
	Unaudited			
Profit for the period attributable to shareholders	16,857	16,327	44,675	57,917
	No of Shares	No of Shares	No of Shares	No of Shares
Weighted average number of shares in issue outstanding during the period*	748,467,428	750,000,000	748,467,428	750,000,000
Earnings per share – basic and diluted (RO)	0.023	0.022	0.060	0.077

\*Excludes treasury shares (refer note 11)

**15. Segmental information**

The Company and its subsidiaries operate in a single business segment, telecommunications and related services. Apart from its operations in Oman, the Company operates through Zain Group in 8 countries. This forms the basis of the geographical segments. Based on the disclosure criterion, the Group has identified its telecommunications operations in Oman, Kuwait, Jordan, Sudan, Iraq, Bahrain and KSA as the basis for disclosing the segment information.

During the period the Group revised the Segment result of Oman to include the share of profit from associates, investment income relating to its operations in Oman. Previous period figures are restated to reflect the revised presentation.

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**Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)**

	30 September 2024 (Un audited)								
	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Elimination
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Segment revenues – airtime, data &amp; subscriptions (Over time)</b>	<b>409,620</b>	<b>230,988</b>	<b>148,798</b>	<b>66,563</b>	<b>305,669</b>	<b>47,018</b>	<b>699,485</b>	<b>66,812</b>	<b>-</b>
<b>Segment revenues - trading income (Point in time)</b>	<b>43,176</b>	<b>119,187</b>	<b>8,910</b>	<b>2,331</b>	<b>1,634</b>	<b>11,447</b>	<b>85,103</b>	<b>83</b>	<b>(6,960)</b>
<b>Segment operating profit</b>	<b>45,216</b>	<b>55,841</b>	<b>36,742</b>	<b>37,209</b>	<b>61,022</b>	<b>4,161</b>	<b>85,850</b>	<b>(10,258)</b>	<b>-</b>
Interest income	1,289	2,770	354	1,171	774	288	2,716	180	-
Share of results of associate and joint venture	3,940	-	-	-	-	-	-	-	(787)
Gain on sale and leaseback transaction	-	-	-	-	-	-	2,160	-	-
Investment income	1,364	-	-	-	-	-	-	-	-
Dividend income from Zain group	41,300	-	-	-	-	-	-	-	(41,300)
Finance costs	(32,371)	(968)	(11,004)	(1,088)	(22,752)	(924)	(56,618)	(726)	-
Income tax expenses	(6,038)	-	(7,197)	(3,010)	(5,337)	-	-	(334)	-
	<u>54,700</u>	<u>57,643</u>	<u>18,895</u>	<u>34,282</u>	<u>33,707</u>	<u>3,525</u>	<u>34,108</u>	<u>(11,138)</u>	<u>(42,087)</u>
Investment income									8,273
Share of results of associate and joint venture									1,411
Others (including unallocated income tax and finance costs net of elimination)									(5,767)
<b>Profit for the period</b>									<u>187,552</u>
Segment assets including allocated goodwill	1,750,903	925,761	622,647	84,079	989,647	123,446	3,112,988	245,403	(850,337)
ROU asset	104,880	21,633	12,991	1,345	26,185	17,876	106,275	2,872	-
<i>Unallocated items:</i>									
Investment securities at FVTPL									51,841
Investment securities at FVOCI									19,972
Investment in associates and joint venture									213,499
Others (net of eliminations)									225,293
<b>Consolidated assets</b>									<u>7,809,199</u>
<b>Segment liabilities</b>	<b>420,431</b>	<b>220,619</b>	<b>181,220</b>	<b>39,282</b>	<b>194,671</b>	<b>26,958</b>	<b>713,824</b>	<b>266,613</b>	<b>-</b>
<b>Lease liabilities (Current &amp; non-current)</b>	<b>145,907</b>	<b>27,139</b>	<b>15,845</b>	<b>1,454</b>	<b>36,433</b>	<b>18,178</b>	<b>142,353</b>	<b>2,630</b>	<b>-</b>
<b>Borrowings</b>	<b>514,400</b>	<b>-</b>	<b>99,879</b>	<b>-</b>	<b>251,647</b>	<b>-</b>	<b>793,862</b>	<b>2,051</b>	<b>-</b>
	<u>1,080,738</u>	<u>247,758</u>	<u>296,944</u>	<u>40,736</u>	<u>482,751</u>	<u>45,136</u>	<u>1,650,039</u>	<u>271,294</u>	<u>-</u>
<i>Unallocated items:</i>									
Borrowings									807,602
Others (net of eliminations)									67,515
<b>Consolidated liabilities</b>									<u>4,990,513</u>
<b>Net consolidated assets</b>									<u>2,818,686</u>
Capital expenditure incurred during the year	78,305	27,354	4,834	26,576	14,539	1,795	41,990	12,197	-
Unallocated (net of eliminations)									986
<b>Total capital expenditure</b>									<u>208,576</u>
Depreciation and amortization	72,623	64,519	26,075	10,369	58,927	11,105	141,343	6,011	-
Amortization of ROU assets	8,858	7,012	1,319	689	3,150	3,411	21,039	493	-
Unallocated									(789)
<b>Total depreciation and amortization</b>									<u>436,154</u>



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**Notes to the Condensed Consolidated Interim Financial Information - 30 September 2024 (Unaudited)**

	30 September 2023 (Un audited)									
	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Elimination	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000		RO '000
							Restated			Restated
Segment revenues – airtime, data & subscriptions (Over time)	408,827	237,942	142,332	163,139	268,667	43,766	655,757	27,260	-	1,947,690
Segment revenues - trading income (Point in time)	49,231	88,376	7,073	1,963	2,082	10,471	84,913	732	-	244,841
Segment operating profit	48,795	78,284	38,314	76,309	37,320	4,246	78,950	(9,735)	-	352,483
Interest income	1,878	2,454	661	3,332	533	288	4,579	186	-	13,911
Gain on sale and leaseback transaction	-	1,327	-	-	12,252*	-	76,608	-	(12,252)	77,935
Investment income	1,998	-	-	-	-	-	-	-	-	1,998
Share of results of associates and joint venture	1,906	-	-	-	-	-	-	-	-	1,906
Dividend income from Zain group	41,531	-	-	-	-	-	-	-	(41,531)	-
Finance costs	(31,990)	(721)	(11,868)	(1,336)	(24,811)	(726)	(54,263)	(224)	-	(125,939)
Income tax expenses	(5,513)	-	(7,449)	(6,637)	(2,916)	-	-	(160)	-	(22,675)
	58,605	81,344	19,658	71,668	22,378	3,808	105,874	(9,933)	(53,783)	299,619
Unallocated items:										
Investment income										656
Share of results of associates and joint venture										1,211
Others (including unallocated income tax and finance costs net of elimination)										(28,320)
Profit for the period										273,166
Segment assets including allocated goodwill	1,727,723	965,343	600,911	219,599	985,905	128,045	3,087,310	175,450	(850,336)	7,039,950
ROU asset	95,615	14,271	11,592	3,439	24,252	16,259	88,137	1,967	-	255,532
Unallocated items:										
Investment securities at FVTPL										104,281
Investment securities at FVOCI										23,902
Investment in associates and joint venture										207,468
Others (net of eliminations)										144,601
Consolidated assets										7,775,734
Segment liabilities	435,232	211,368	175,053	99,599	185,440	33,910	1,021,557	181,646	-	2,343,805
Lease liabilities (Current & non-current)	135,979	22,013	14,299	2,311	33,728	16,368	124,734	1,810	-	351,242
Borrowings	498,633	-	98,996	-	286,467	-	529,671	-	-	1,413,767
	1,069,844	233,381	288,348	101,910	505,635	50,278	1,675,962	183,456	-	4,108,814
Unallocated items:										
Borrowings										749,523
Others (net of eliminations)										14,968
Consolidated liabilities										4,873,305
Net consolidated assets										2,932,365
Capital expenditure incurred during the year	77,134	27,137	6,043	21,528	12,802	1,227	19,420	15,997	-	181,288
Unallocated (net of eliminations)										370
Total capital expenditure										181,658
Depreciation and amortization	68,404	63,376	22,488	4,033	57,434	9,612	139,552	5,761	-	370,660
Amortization of ROU assets	7,532	6,520	1,348	717	2,552	3,099	17,865	323	-	39,956
Unallocated										(2,033)
Total depreciation and amortization										408,583

\*Eliminated at Group level (refer note 4)

**16. Related party transactions**

The Group has entered into transactions with related parties on terms approved by management. Transactions and balances with related parties (in addition to those disclosed in other notes) are as follows:

**Transactions**

	<b>Nine months ended 30 September (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
	<b>RO'000</b>	<b>RO'000</b>
Revenue	<b>6,372</b>	7,548
Purchase of goods and services	<b>2,109</b>	2,197
Lease payment	<b>2,145</b>	3,218
Dividend income from associate	<b>3,034</b>	1,458

**Key management compensation**

	<b>Nine months ended 30 September (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
	<b>RO'000</b>	<b>RO'000</b>
Salaries and other short term employee benefits	<b>1,347</b>	1,558
Post-employment benefits	<b>39</b>	57

**Balances**

	<b>Unaudited 30 September 2024 RO'000</b>	<b>Audited 31 December 2023 RO'000</b>
Trade receivables	<b>8,058</b>	6,648
Trade payables	<b>451</b>	4,421

**17. Commitments and contingencies**

	<b>Unaudited 30 September 2024 RO'000</b>	<b>Audited 31 December 2023 RO'000</b>
Capital commitments	<b>588,690</b>	152,237
Uncalled share capital of investee companies	<b>859</b>	451
Letters of guarantee and credit	<b>79,281</b>	77,263

*Royalty in Sultanate of Oman*

The Parent Company during FY 2020 received a letter from TRA clarifying the applicability of royalty on certain categories of Wholesale revenue. While clarifying that these items are exempt from Royalty from year 2020, TRA has demanded to pay royalty on these revenues for the periods from 2013 to 2019. Based upon legal opinion and interpretation of the relevant provisions of the Parent Company's license terms, the management believes that the additional royalty amount is not payable.

*Atheer - Iraq*

- a. On 10 September 2023, the Communication and Media Commission of Iraq ("CMC") imposed a fine of US\$ 75 million (RO 28.8 million) on Atheer for failing to meet 4G QoS ('Quality of Service') KPIs for the year 2022. Atheer's believes that there is an error in the fine calculation regarding coverage obligation. On 9 October 2023, Atheer challenged the decision before the Appeals Board. On 13 June 2024, the Appeals Board issued a decision in favor of CMC. On 7<sup>th</sup> July 2024, Atheer submitted a petition to the Board of Commissioners (the legislative body of the CMC), articulating that the petition stems from a fundamental error, requesting them to cancel the fine. On 19 August 2024, the CMC rejected the petition and issued a demand to pay the fine amount. On 27 August 2024, the Atheer's attorneys filed another appeal, urging the Appeals Board to correct its decision on the grounds that it is fundamentally flawed as explained above.

In August 2024, a new fine amounting to US\$ 1 million (RO 0.384 million) was imposed by CMC for failing to meet 4G QoS KPIs for the second half of year 2023. This amount is significantly lower as compared to the fine levied for year 2022 and first half of year 2023. Furthermore, a new QoS regulation is expected to be issued, which may support Atheer's case in challenging the fine. Based on these factors and based on the report from Atheer's attorneys, the Group believes that the matter will be resolved in favor of Atheer.

- b. Newroz Telecom, based in the Kurdistan region, has initiated a preliminary lawsuit in the first instance court against Atheer and Huawei. The claim is predicated on allegations that the unlicensed installation of 4G equipment has caused harm to Newroz Telecom's infrastructure requesting US\$ 50 million (RO 19.2 million) from Atheer and Huawei jointly. Atheer operates under a national license issued by the CMC, the competent federal authority. The CMC is anticipated to issue a statement to the court affirming Atheer's lawful nationwide authorization to provide 4G services, as well as confirming that Huawei holds the necessary credentials as an authorized vendor for the equipment supplied. Atheer has submitted both formal and substantive defenses and is currently awaiting the plaintiff's responses. The court has notified the plaintiff to reply to Atheer's statements. Based on the attorney's report, the Group believes that it has strong legal grounds and compelling arguments to successfully challenge and revoke the opposing claim.

*Pella - Jordan*

Pella is a defendant in lawsuits amounting to RO 27.9 million (31 December 2023 – RO 27.86 million). Based on the report of its attorneys, the Group expects the outcome of these proceedings to be favorable to Pella.

*SMTC*

- a. SMTC received withholding tax assessments from Zakat, Tax and Customs Authority ("ZATCA") for an additional amount of SAR 100 million (RO 10.2 million) for certain withholding tax items for the years from 2015 to 2021. SMTC has appealed these assessments against the relevant committees. The SMTC believes that the outcome of those appeals will be in its favor with no material financial impact as the SMTC has sufficient provisions to cover these amounts.
- b. SMTC was also subjected to WHT, for the years from 2012 to 2021, on International Interconnect traffic from ZATCA for payments made to International Operators and SMTC has received WHT assessment from ZATCA with respect to this. For the assessments received from ZATCA, SMTC has rejected these claims and appealed at various judiciary bodies against these assessments. In the process of appealing against these claims, SMTC had paid an amount of SAR 8.37 million (RO 0.85 million) and created a provision of SAR 148.18 million (RO 15.2 million). However, during the three-month period ended 30 September 2024, SMTC received communication from ZATCA that the dues for WHT on International traffic will be borne by the Government. Accordingly, SMTC has reversed a provision of SAR 148.18 million (RO 15.2 million) during the current three-month period ended 30 September 2024. The amount paid of SR 8.37 million (RO 0.85 million) will be settled by SMTC with dues payable to ZATCA for other ongoing assessments.
- c. In accordance with the Net Telecommunications Revenue Base Regulations for Licensed Service Providers (the regulation) as issued by Communications, Space and Technology Commission in KSA (CST), SMTC is required to submit quarterly Net Telecom Revenue forms (NTR forms) including NTR base. Due to absence of reasonable assurance report on the submitted NTR forms for the period ended 31 March 2023, during 3rd quarter of 2023, SMTC has received an invoice from CST amounting to SAR 266 million (RO 27.2 million) which was calculated based on the revenue as reported in the interim condensed consolidated financial information for the period

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ended 31 March 2023 instead of NTR base for the respective period which resulted in SAR 97 million (RO 9.9 million) being additional amount. The reasonable assurance report was subsequently submitted. Till the quarter ended 30 June 2024 the Group has adjusted SAR 89.2 million (RO 9.1 million) amount against above advance payments to CST.

In addition, legal proceedings have been initiated by and against the Group in some jurisdictions. On the basis of information currently available and the advice of the legal advisors, Group management is of the opinion that the outcome of these proceedings is unlikely to have a material adverse effect on the consolidated financial position or the consolidated performance of the Group.

**18. Financial instruments****18.1 Categories of financial assets and liabilities**

The carrying amounts of the Group's financial assets and liabilities as stated in the condensed consolidated statement of financial position are categorized as follows:

	Amortized costs	At fair value through profit or loss	Fair value through comprehensive income
	RO'000	RO'000	RO '000
<b>30 September 2024 (Unaudited)</b>			
Cash and bank balances	316,388	-	-
Bank balances held in customer account	20,578	-	-
Trade and other receivables	1,244,388	-	-
Contract assets	209,490	-	-
Investment securities	1,000	83,327	19,972
Other assets	15,343	-	-
	<b>1,807,187</b>	<b>83,327</b>	<b>19,972</b>
<b>31 December 2023 (Audited)</b>			
Cash and bank balances	428,635	-	-
Bank balances held in customer account	15,975	-	-
Trade and other receivables	1,129,465	-	-
Contract assets	195,791	-	-
Investment securities	1,000	74,397	14,412
Other assets	17,649	-	-
	<b>1,788,515</b>	<b>74,397</b>	<b>14,412</b>

All financial liabilities are categorized as 'at amortized cost'.

**18.2 Fair value hierarchy for financial instruments measured at fair value**

The following table presents the financial assets which are measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

**30 September 2024 (Unaudited)**

	Level 1	Level 2	Level 3	Total
	RO'000	RO'000	RO'000	RO'000
<b>Financial assets at fair value:</b>				
Investments at fair value through profit or loss	5,931	30,755	46,641	83,327
Investments at fair value through other comprehensive income	3,686	3,619	12,667	19,972
Derivative asset held for hedging	-	5,097	-	5,097
<b>Total assets</b>	<b>9,617</b>	<b>39,471</b>	<b>59,308</b>	<b>108,396</b>

**31 December 2023 (Audited)**

	Level 1	Level 2	Level 3	Total
	RO'000	RO'000	RO'000	RO'000
<b>Financial assets at fair value:</b>				
Investments at fair value through profit or loss	5,760	32,358	36,279	74,397
Investments at fair value through other comprehensive income	2,715	3,586	8,111	14,412
Derivative asset held for hedging	-	6,187	-	6,187
<b>Total assets</b>	<b>8,475</b>	<b>42,131</b>	<b>44,390</b>	<b>94,996</b>

**Measurement at fair value**

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous year.

**19 Hyperinflation – Zain South Sudan****Net monetary (loss)/ gain**

The Republic of South Sudan economy had become hyperinflationary in 2016. Accordingly, the results, cash flows and financial position of the Group's subsidiary in South Sudan had been expressed in terms of the measuring unit current at the reporting date in accordance with IAS 29 Financial Reporting. The effect on the net monetary position is included in the condensed consolidated interim statement of profit or loss as 'net monetary gain'.

**20 Derivative financial instruments**

On 22 September 2020, SMTC entered into profit rate swaps, which matures in 2025. The maturity of the profit rate swap has been extended till the extended maturity of the refinanced loan. The average contracted fixed interest rate ranges from 2% to 3%. The fair value of profit rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract. As at reporting date all the critical terms of both hedge item and hedge instrument are the same, so the hedge is considered to be effective.

The table below shows the positive and negative fair values of derivative financial instruments, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period-end and are not indicative of either market or credit risk. All derivative contracts are fair valued based on observable market data.

	Notional amounts by term to maturity		
	Positive	Negative	Notional
	fair value	fair value	amount
	RO'000	RO'000	RO'000
<b>At 30 September 2024 (Un audited)</b>			
<i>Derivatives held for hedging:</i>			
<i>Cash flow hedges</i> - Receive 3-month LIBOR/ SIBOR, pay fixed interest rate			
Interest rate swaps (maturing after one year)	5,097	-	196,295
<b>At 31 December 2023 (Audited)</b>			
<i>Derivatives held for hedging:</i>			
<i>Cash flow hedges</i> - Receive 3-month LIBOR/ SIBOR, pay fixed interest rate			
Interest rate swaps (maturing after one year)	6,187	-	209,408

## 21 Effect of prior period restatement

Pursuant to reassessment the Groups' management concluded that on 8 January 2023, i.e. on first batch transfer, Financial Completion date was triggered and all respective conditions as set out in APA and MTSA were completed for all asset transfer. Consequently, the Group derecognized passive infrastructure of all the sites with corresponding realization of gain on condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income for the period ended 31 March 2023. Additionally, and in accordance with the terms and conditions of the MTSA with GLI, the Group leased back the right to use specified spaces on each site recognizing the right of use assets and lease liability on the same, with a corresponding gain on condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income. Accordingly, the previously reported amounts on condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income for the period ended 30 September 2023 has been adjusted to reflect changes of reassessment.

The ground leases for all sites, whether transferred or yet to be transferred but landlord consent is available, have been accounted in such a manner that the related right of use assets and lease liability have been derecognized with any resulting gain or loss on termination recognized in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income. For all other cases, the related carrying amounts of right of use assets and lease liability have been retained but reassessed for their lease term with any resulting gain or loss on modification recognized in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income.

A summary of the effect of the above restatements on the condensed consolidated interim financial information is as follows:

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## Condensed interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the nine months ended 30 September 2023

	As previously reported	Restatement	As restated
	RO'000	RO'000	RO '000
Operating and administrative expenses	(626,375)	(2,237)	(628,612)
Depreciation, amortization and impairment	(407,782)	(801)	(408,583)
Other (expenses)/income	(32,138)	7,288	(24,850)
Gain on sale and lease back transaction	57,951	19,984	77,935
Finance costs	(145,869)	(2,014)	(147,883)
Profit before income taxes	274,550	22,220	296,770
Profit for the period	250,946	22,220	273,166
<b>Profit attributable to:</b>			
Shareholders of the Company	56,113	1,804	57,917
Non-controlling interests	194,833	20,416	215,249
<b>Earnings per share</b>			
Basic and diluted – RO	0.075	0.002	0.077
<b>Total comprehensive income for the period</b>	246,199	22,083	268,282
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company	49,037	1,792	50,829
Non-controlling interests	197,162	20,291	217,453

## Condensed Consolidated Statement of Financial Position as at 30 September 2023

	As previously reported	Restatement	As restated
	RO'000	RO'000	RO '000
Intangible assets and goodwill	3,280,652	(12,964)	3,267,688
Assets of disposal group classified as held for sale	126,916	(93,445)	33,471
Right of use of assets	239,543	15,989	255,532
Trade and other payables	1,649,330	(118,810)	1,530,520
Liabilities of disposal group classified as held for sale	43,141	(25,680)	17,461
Lease liabilities (non-current)	272,795	31,987	304,782
Retained earnings	541,521	1,804	543,325
Non-controlling interests	2,270,949	20,291	2,291,240
Foreign currency translation reserve	(93,821)	(119)	(93,940)
Other reserve	1,121	107	1,228

## Condensed Consolidated Statement of Cash Flows for the nine months ended 30 September 2023

	As previously reported	Restatement	As restated
	RO'000	RO'000	RO '000
Profit for the period before income taxes	274,550	22,220	296,770
Depreciation and amortization	407,782	801	408,583
Finance costs	145,869	2,014	147,883
Gain on sale and lease back transaction	(57,951)	(19,984)	(77,935)
Operating profit before working capital changes	778,980	5,051	784,031
Trade and other payables	(29,943)	(5,051)	(34,994)