Annual Report

2021

Jordan Telecommunications Company

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Remarks by His Majesty King Abdullah II
at the Bloomberg New Economy Forum
16 November 2020

“Indeed, technology has the potential to boost our global path to recovery post-COVID.
One of the bright spots of our pandemic response has been seeing young Jordanians rise to the occasion, and come up with innovative digital solutions, in record time, to bolster our resilience, in healthcare, education, and e-commerce, while also offering services to others in the region”

His Majesty King Abdullah II Ibn Al Hussein
King of the Hashemite Kingdom of Jordan

Remarks by HRH Crown Prince Al Hussein bin Abdullah II
at the Global Manufacturing and Industrialization Summit
September 05, 2020

"Our ICT sector quickly rose to the occasion during these challenging times, with our talented coders and developers designing and creating infrastructures for remote learning, online shopping, and other digital solutions"

His Royal Highness Crown Prince
Al Hussein bin Abdullah II

A letter from the Chairman

Dear shareholders,

On behalf of the Board of Directors of Jordan Telecommunications Group (Orange Jordan), I am glad to welcome you to the 27th annual ordinary General Assembly meeting. We will review the performance and the financial results for the year ending on December 31, 2021, and we will discuss the board's annual report compiled in accordance with the provisions of the law and the principles of good governance, which we always abide by. This report comprises the financial statements, governance report and disclosures, as well as the business plan for the year 2022.

The Information and Communications Technology (ICT) sector enables other sectors to enhance performance and raise productivity, in addition to supporting their efforts in dealing with the COVID-19 pandemic and offering the measures and solutions needed to make people's lives safer and easier. During the periods of distance learning, Orange Jordan played a leading role in enabling students to attend classes and interact, utilizing the latest technologies, free of charge. The pandemic has brought new, unprecedented needs for users that have transformed the demand for ICT services. The capacity of the company's networks and our flexible strategy for running the networks allowed us to respond to the newly developed needs rather swiftly.

Throughout 2021, Orange Jordan has sustained outstanding performance. It has maintained the leading position amongst providers of business solutions, access to the internet, via mobile, ADSL and Fiber services at international standards with unmatched speeds in the market. The company has achieved a balance between profitability and the cost of high-quality services, leading to good financial results.
Despite the pandemic's impact on the economy of Jordan and of all countries in the world, Orange Jordan has successfully achieved a total revenue amounting to JD 333,5 million by the end of 2021, and a net income (after tax) amounting to JD 26,1 million. In parallel, Orange Jordan maintained optimal operational performance through optimal use of resources. Operational expenses amounted to JD 286,7 million. We reaffirm the commitment to distributing dividends every year.

At times, challenges create opportunities. Therefore, Orange Jordan has set realistic and adaptable strategies to address the challenges confronting the sector in light of the repercussions of the pandemic during the past two years. Our positive performance reflects the resilience of our strategy and our capabilities, being the reference responsible digital leader and the Kingdom's partner in digital transformation. The pandemic has also provided a strong incentive to develop our strategy and to deploy resources to address different circumstances with flexibility. All in line with the company's leading position in the national economy.

During 2021, the company continued to develop infrastructure in accordance with the best international standards; it has expanded investments in networks and enhanced services to protect leadership in the market by offering high-quality internet services through the advanced Fiber technology to both individuals and businesses. The company also remains the exclusive provider of 4G+ services.
We have a clear vision that includes empowering productive sectors, individuals, and society at large. We are participating in spreading digital culture, enhancing education and training outcomes in line with the digital transformation requirements and market needs. We have supported the youth in developing and growing their entrepreneurial projects in various digital fields, including our support to talented programmers, through free training, to help them get employed. A total of 100 males and females have graduated from the "Coding Academy by Orange", 80% of whom got employed.

The year 2021 was a turning point in our social responsibility programs, as we have expanded the number of beneficiaries of digital culture, digital inclusion, and supporting entrepreneurship free of charge. This year, we have embarked on implementing several programs as part of 'Innovation Space', co-funded with the European Union, and we are excited to continue to fund our programs and support activities that contribute to reducing unemployment and poverty rates in Jordan. We will continue to work towards bridging the gap between academic skills and the market digital need. We aim to increase our social responsibility programs to a total of 50 projects by the end of 2022.

Our employees are the cornerstone of Orange Jordan's success. The executive management has made amazing efforts in training, capacity building, as well as securing the safety of employees. We have provided our staff and others the opportunity to get free vaccination at two centers; one in Na'our and the other at Orange Digital Village in Abdali. We have also adopted careful health and protective measures at our offices and shops across the Kingdom in adherence to defense orders.

Finally, I would like to thank the board members, the executive committee under the competent and commendable leadership of Chief Executive Officer, Mr. Thierry Marigny, as well as all the executive directors and employees, for their efforts and contributions to the company's continued success.

I would also like to extend my gratitude to the Ministry of Digital Economy and Entrepreneurship, as well as the Telecommunications Regulatory Commission for their role in regulating and developing the Kingdom's technological capacities. Due appreciation also goes to all our shareholders for their confidence and ongoing support. I also thank the Orange Group for continuing to instill and spread knowledge. I thank our customers for their loyalty to our brand, Orange, and I reaffirm our commitment to continue to provide the best to Jordanians as they deserve the best always.

With kind regards and best wishes

Dr. Shabib Ammari
Chairman of Board of Directors

A letter from the CEO

Dear shareholders,

The past two years were tough and cast their shadow on all sectors. By relying on our expertise, we were able to instantly adapt to the crisis while maintaining excellence and business continuity. In this spirit, we welcomed 2021 with a firm belief that the power of digital can overcome challenges and achieve more progress, and that our role should be to help others around us access this power to everyone's benefit.

We achieved a hard balance between fulfilling digital customers' growing demands with high efficiency and speed, while sustaining a productive environment at Orange Jordan and the community at large. We also supported the government in face of the global pandemic through educational and health initiatives, such as the establishment of a COVID vaccine station at the Orange Digital Village, funded by the Orange Foundation, which provided its services to 82,000 beneficiaries.

We continue to dedicatedly serve our three million individual and business customers with utmost quality, advancing digital transformation by expanding our network in the governorates and diversifying Orange Money to offer more financial inclusion services, while in parallel we designed a range of smart offers in line with our commitment to provide our customers with market leading solutions.

Owing to this strategy, we succeeded in increasing our financial and operational performance, achieving growth of our revenue by 5.2%, and EBITDAaL by 14%.

Because of the surging need for internet services, especially during the long lockdowns and curfews, we faced a huge usage increase in both mobile and fixed networks: the growth of traffic was more than 40% from 2020 to 2021. This had an overall direct impact on our international internet bandwidth cost, but also on our power consumption which grew by 8%.

This year upgrading our infrastructure and enriching subscribers' experiences remained a priority. We continued to enhance the quality of our mobile network by introducing new "cloud air" and "split sectors" technologies, also by using wisely granted temporary spectrum by TRC to cope with demand. On the FTTH (Fiber to the Home) side, Orange Jordan continued investing extensively, especially outside of Amman, to expand its network in Irbid, Zarqa, Salt, Madaba and Aqaba, and reinforce our position as the "number one" operator in fiber home connections in the Kingdom.

To complement our home broadband offer, we also launched the Smart Life Solutions. This is a platform that helps our customers stay connected to their home and monitor, remotely through an application, a range of smart electric devices including surveillance cameras, alarm systems, doorbells, as well as plugs that allow users to reduce their electricity consumption.

With the growth and importance of Wi-Fi networks, in light of the COVID pandemic, our company launched the Wi-Fi Campus at its center in Naour where we provide our employees with comprehensive training on all issues related to home internet and Smart Life Solutions, to help them better understand and improve our customers' experiences.

Orange Jordan also continues to invest heavily in mobile finance and our e-wallet service Orange Money. We believe mobile money to be the best means to promote inclusive access to banking and financial services (payments, credit and savings). In 2021, we achieved an increase of 78% to reach more than 381,000 registered customers. Using Orange Money, customers can manage all their financial transactions: deposit cash in/out through our extensive network, shop and withdraw money all around the world with our Visa card or use it to shop online, pay through QR code, purchase electronic vouchers, and also refill prepaid accounts and pay bills.

Orange Jordan remains the responsible digital leader in Jordan, because we are investing strongly in the last three years to develop our skills, organization and tools. During the last 12 months, we began our omnichannel transformation.

The first step was to redevelop our main digital assets (portal, e-shop, and My Orange and Orange Money applications) and improve our digital customer experience. We also developed more use cases for our RPA (Robot Process Automation), Chatbots, and big data/ AI (Artificial intelligence), which are now an integrated part of our current environment and customer journey.

These technologies are also feeding our B2B growth, which is particularly driven by our ICT activity: connectivity and network management, hybrid cloud, IoT/ metering and cyber security. This growth had proven sustainable, even though the local economy was impacted by COVID, including vital sectors such as tourism which have been especially hit hard.

Establishing the Orange Foundation to enhance our social initiatives in the Kingdom was one of our major highlights this year. This is an extension of the Group's global arm for philanthropy and social responsibility, which has remained committed towards people and the environment for the past 30 years.

This year, Orange Jordan succeeded in expanding the number of centers and beneficiaries of its comprehensive free digital programs through visionary partnerships, represented by the Innovation Space project co-funded by the European Union, and the Orange Digital Center (ODC), the eighth center in the MENA region's ODC network, funded by the German Development Cooperation (GIZ).

These new digital centers encourage expertise and knowledge exchange across countries to improve youth employability and promote innovation-based entrepreneurship. Through various programs aimed at enhancing the digital ecosystem in the Kingdom, including community digital centers which helped bridge the digital divide for more than 3,000 young males and females, the Coding Academy which achieved employment for 80% of its graduates, the FabLab which trained over 50 creators, and the BIG by Orange growth accelerator which supported more than 44 startups.

In parallel with our commitment towards the community, we complied with the environmental commitment set by Orange Group through the Solar Farms projects, which succeeded in reducing the company's energy costs by around 65% during the first years of operating the project, and reducing the carbon emissions from our operations by more than 100%, compared with the 2015 emissions. We expect to continue this decrease by an average of 30kt annually over the next 20 years, in line with the Group's goal to reach zero carbon emissions by 2040.

As a responsible digital leader, we are also investing in our own digital transformation. And by doing so, we are looking to empower our employees, bring more agility to our processes, develop digital learning opportunities and promote more collaboration. I am proud to say that our employee satisfaction is rising every year, and that we again received Top Employer Certification.

In conclusion, I would like to extend my sincere appreciation to the members of the Board of Directors for their efforts, represented by the Chairman, Dr. Shabib Ammari, who was a key supporter, and to the executive management that translated Orange Jordan's strategies into realities. I also want to thank our employees for their efforts and dedication, through which we achieved and will maintain our leading position.

Finally, I promise that we will always remain a global company working in a local spirit, exerting all our efforts to offer the best for Jordan and our subscribers.

Thierry Marigny
Chief Executive Officer

2021 Board of Directors of Jordan Telecom Group – Orange Jordan

H.E. Dr. Shabib Ammari
Chairman of the Board of Directors

Mrs. Mireille EL Helou
Vice-Chairman of the Board of Directors

Mr. Bisher Jardaneh
Member of the Board of Directors

Mr. Jérôme Hénique
Member of the Board of Directors

B. G. Dr. Eng. Hisham Khraisat
Member of the Board of Directors

Mr. Abdallah Abu Jamous
Member of the Board of Directors

Mrs. Dorothée Vignalou
Member of the Board of Directors

A tribute to a dear colleague: Orange group, especially Orange Jordan, has lost Mr. Taieb Belkahia, who passed away in 2021. He was the Vice Chair of the Board of Directors. His contributions and accomplishments will not be forgotten, may his soul rest in peace.

Auditors: Deloitte & Touche (M.E.) – Jordan
Legal Advisor: Thaer Najdawi

2021 Executive Committee of Jordan Telecom Group – Orange Jordan

Mr. Thierry Marigny
Chief Executive Officer

Mr. Raslan Deiranieh
Deputy Chief Executive Officer
Chief Financial and Strategy Officer

Eng. Sami Smeirat
Chief Enterprise Officer

Eng. Waleed Al Doulat
Chief Wholesale Officer
Chief Information Technology and Networks Officer

Dr. Ibrahim Harb
Chief Legal, Regulatory, Sourcing and Supply Chain Officer
Chief Human Resources Officer

Mrs. Naila Al Dawoud
Chief Consumer Market Officer

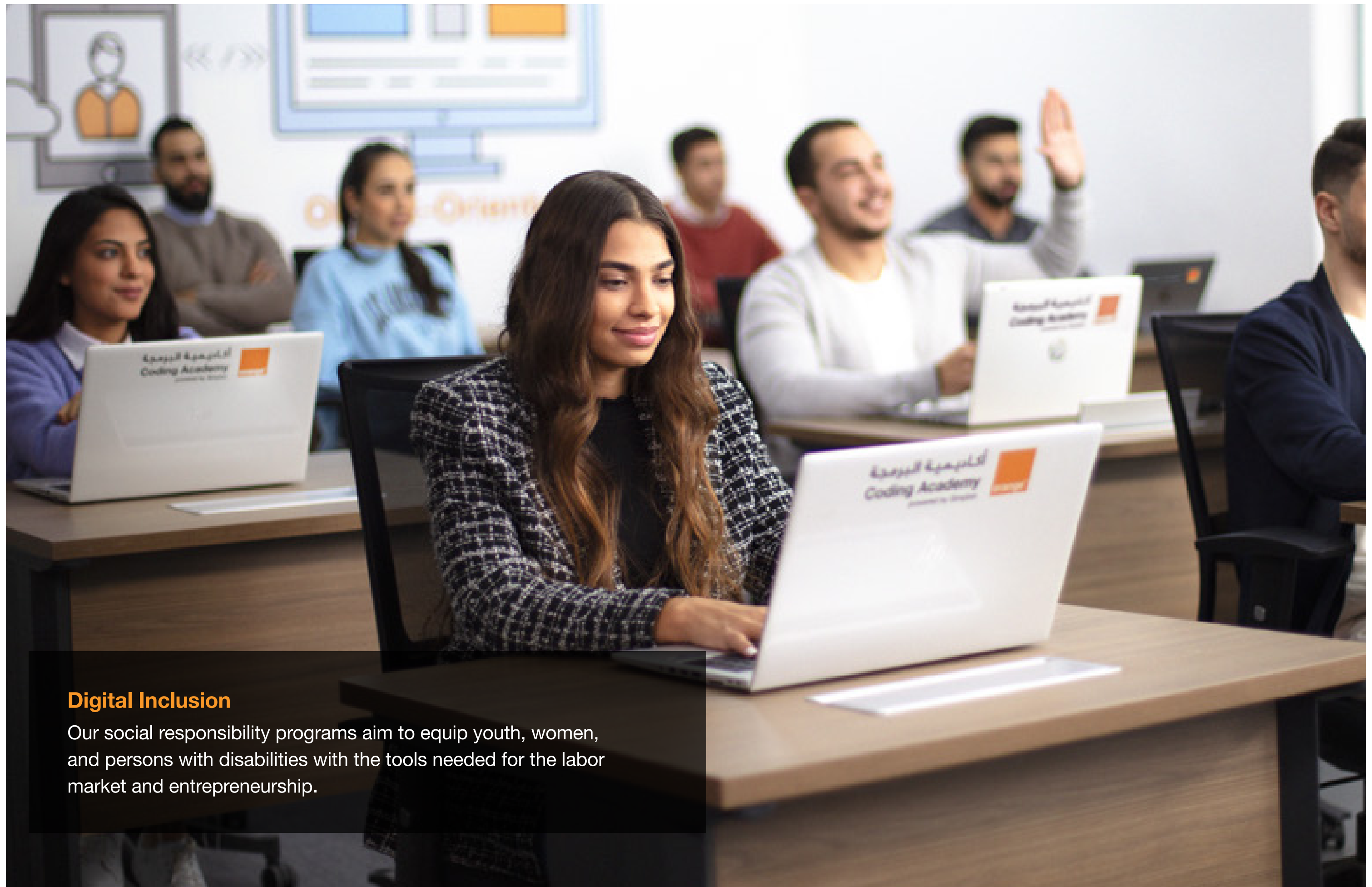
Mr. Samer Al Haj
Chief Consumer Sales Officer

Mr. Jallale Bassou
Deputy Chief Information Technology and Networks Officer

Mr Wilfried Yver
Chief Digital, Data, Innovation & Money Officer

Eng. Rana Al Dababneh
Deputy Chief PR, CSR and Corporate Communication Officer

Financial Report



Digital Inclusion

Our social responsibility programs aim to equip youth, women, and persons with disabilities with the tools needed for the labor market and entrepreneurship.

Financial Report 2021

The Board of Directors of Jordan Telecom Group (Orange Jordan) is delighted to present you with the annual report reflecting our performance, business results for the financial year 2021. The report also highlights the continuous progress in the group's performance on all levels and its vital role in the development of information technology and communications in the Kingdom, which in turn enhances social progress and contributes to the national economy and achieves feasible revenues for its shareholders.

Despite the unprecedented challenges posed by the COVID pandemic, Jordan Telecom Group has made several achievements in 2021, including a significant growth in retail, through decisions that were taken based on its set goals, and utilizing the efficient internal processes and advanced digital resources, starting from attracting customers to catering to their needs and aspirations.
In light of the modern digital revolution, the group enhanced its role in the individual market, namely in the wide array of mobile offers, to ensure added value, in cooperation with a plethora of partners.

The group also increased its investments in broadband internet, to expand the coverage of fiber which grants users a very fast and reliable internet experience, especially as people tend to rely more on advanced digital solutions, and as Orange continues to be a leader in providing this service in the Kingdom.

Jordan Telecom Group continues its digital journey by adopting the latest technologies, by unleashing a world of possibilities and presenting innovative technologies on a wider scale.

We hope to launch as soon as possible the 5th generation network in Jordan, as an extension to our digital legacy. This new technology will accelerate digital transformation, and provide more space for IoT, smart cities, and Industrial solutions.

In terms of finance although the pandemic brought long-term exceptional changes, we succeeded in increasing the group's revenues and profit. Thanks to the flexible and sustainable operational model we have adopted, Orange Jordan balanced between managing financing needed for the additional costs in terms of capital and operations and maintaining profitability.

Presented below is a summary of the consolidated results for 2021 against 2020.

Consolidated income statement:

(MJD)	2021	2020	Change %
Revenues	**333.5**	**317.1**	**5.2%**
Operating Expenses			
Cost of services	(119.0)	(123.8)	(3.9)%
Administration expenses	(26.7)	(27.9)	(4.2)%
Selling and distribution expenses and provision for expected credit loss	(42.7)	(38.6)	10.6%
Government revenue share	(4.6)	(4.1)	11.6%
Business support fees	(3.3)	(3.3)	0.0%
Brand fees	(4.6)	(4.2)	8.3%
Depreciation and amortization	(77.2)	(75.4)	2.5%
Depreciation of right-of-use assets	(6.5)	(4.6)	42.0%
Depreciation of renewable energy lease assets	(2.1)	(2.1)	0.0%
Total Operating expenses	**(286.7)**	**(284.0)**	**1.0%**
Profit from operations	**46.8**	**33.1**	**41.4%**
Operations margin	**14.0%**	**10.4%**	**34.5%**
Renewable energy lease interest expense	(3.0)	(2.6)	15.2%
Lease interest expense	(2.4)	(2.5)	(0.4)%
Net foreign exchange differences, finance costs and finance income	(5.1)	(6.9)	(27.1)%
Other Income	2.0	4.3	(54.3)%
Profit before Income tax	**38.2**	**25.3**	**50.8%**
Income tax expense	(12.1)	(7.8)	54.1%
Profit for the year	**26.1**	**17.5**	**49.3%**
Attribute to: Equity holders of parent	26.1	17.5	49.3%
Profit margin	7.8%	5.5%	41.9%
Earnings per share	0.139	0.093	49.5%
Weighted average number of shares (million shares)	187.5	187.5	-

The calculated variance may differ from the financials due to the rounding factor.

*The 2020 figures have been reclassified in order to conform to the presentations in 2021. Such reclassification does not affect previously reported profit or equity.

Summary of consolidated balance sheet:

(MJD)	2021	2020	Change %
Assets			
Total Current Assets	181.8	151.1	20.4%
Property, and equipment	261.1	249.0	4.9%
Other non-current assets	257.6	290.4	(11.3)%
Total non-current assets	518.6	539.3	(3.8)%
Total assets	**700.5**	**690.4**	**1.5%**
Liabilities and equity			
Total current liabilities	276.0	256.2	7.7%
Total non-current liabilities	143.1	160.2	(10.7)%
Total equity	281.4	274.0	2.7%
Total liabilities and equity	**700.5**	**690.4**	**1.5%**

Calculated variance may differ from the financials due to the rounding factor.

*The 2020 figures have been reclassified in order to conform to the presentations in 2021. Such reclassification does not affect previously reported profit or equity.

Summary of consolidated cash flow statement:

(MJD)	2021	2020	Change %
Net cash from operating activities	108.0	93.2	15.8%
Net cash used in investing activities	(55.5)	(48.7)	14.0%
Net cash used in financing activities	(49.6)	(41.0)	20.9%
Net increase (decrease) in cash and cash equivalent	2.8	3.5	(18.8)%
Cash and cash equivalents	3.8	0.9	309.6%

The calculated variance may differ from the financials due to the rounding factor.

Financial ratio analysis:

	2021	2020	Change %
Profitability Ratios			
Return on Total Assets (ROA)	3.8%	2.5%	48.5%
Return on Total Equity	9.4%	6.4%	46.6%
Liquidity Ratios			
Current Ratio	0.66	0.59	12.6%
Cash Ratio	0.21	0.17	20.2%
Leverage Ratios			
Debt- Equity Ratio	149.0%	152.0%	(2.6)%
Interest- Bearing Debt ratio	12.8%	16.7%	(23.4)%
Debt Ratio	59.8%	60.3%	(1.0)%
Assets Coverage ratio	0.72	0.68	6.0%
Assets Management Ratios			
Assets Turnover ratio	0.48	0.46	4.7%
Fixed Assets Turnover ratio	1.31	1.28	2.7%
Capital Turnover ratio	1.20	1.16	3.3%
Price (Growth) Ratios			
Proposed dividends	0.144	0.10	44.0%
Dividends pay-out ratio	103.4%	107.1%	(3.5)%
Dividends Yield	6.7%	6.8%	(1.1)%
Valuation Ratios			
Book Value per Share	1.50	1.46	2.7%
Market to Book ratio	1.43	1.01	41.8%
Price-Earnings ratio	21.4	14.7	45.6%

* Total Debt (Total Debt + Total Equity).

Revenues

Group's consolidated revenues increased by 5.2%, achieving JD 333.5 million in 2021 compared to JD 317.1 million in 2020, mainly due to the growth in fiber, mobile, and business services revenues.

Operating expenses

The term Operating Expenses means the cost of services, administration expenses, selling and distribution expenses, provision for expected credit loss, government revenue share, business support fees, brand fees, depreciation, amortization, depreciation of right of use assets, and depreciation of renewable energy lease. The Group Operating Expenses increased by 1.0% to reach JD 286.7 million in 2021 against JD 284.0 million in 2020.

The services' cost kept decreasing by 3.9%, reaching JD 119.0 million in 2021 compared to JD 123.8 million in 2020, mainly due to lower wholesale segment revenues (transit calls), less termination cost, and lower energy costs.

Administrative expenses decreased by 4.2% to reach JD 26.7 million in 2021, compared to JD 27.9 million in 2020, mainly due to lower donations.

Selling and distribution expenses and provision for expected credit loss increased by 10.6%, reaching JD 42.7 million in 2021, compared to JD 38.6 million in 2020 due to higher sales.

Government revenue share equals 10% of net revenue that Orange mobile is required to pay to the Telecommunications Regulatory Commission pursuant to the Mobile License Agreement. Government revenue share reached JD 4.6 million in 2021, increased by 11.6% from 2020 due to higher mobile voice revenues.

Business support fees represent what the Group is required to pay to Orange Group under the business support agreement. Business support fees of the Group reached JD 3.3 million in 2021, the same amount as in 2020.

Brand fees represent 1.6% of operating revenues that Jordan Telecom Group is required to pay to Orange Group for using the Orange brand in all Jordan Telecom Group subsidiaries. Brand fees of the Group reached JD 4.6 million in 2021, compared to JD 4.2 million in 2020, with an increase of 8.3%.

Depreciation, amortization & impairment expenses increased by 2.5% to reach JD 77.2 million in 2021, compared to JD 75.4 million in 2020.

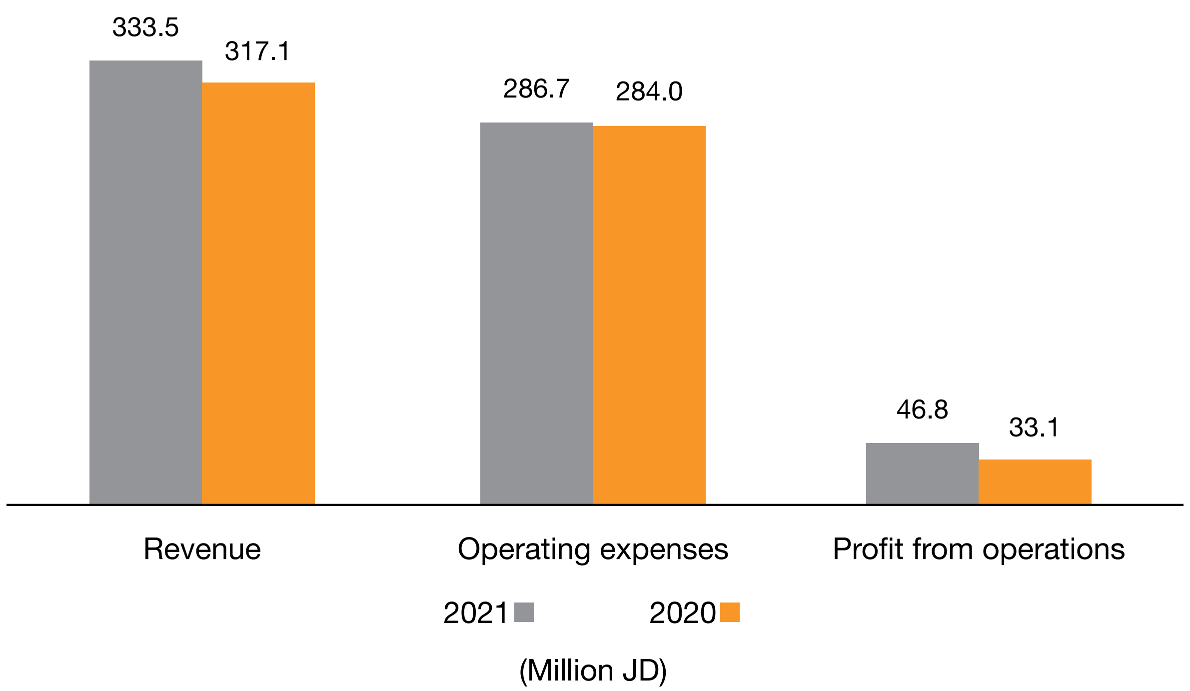
Depreciation of right-of-use assets increased by 42.0% to reach JD 6.5 million in 2021, compared to JD 4.6 million in 2020.

Depreciation of renewable energy lease represents the recognized liability toward solar farms project operator depreciated over the agreement period.

Depreciation of renewable energy lease reached JD 2.1 million in 2021, same in 2020.

Profit from operations

Profit from operations consists of sales of services, less total operating expenses, including depreciation and amortization, and depreciation of renewable energy lease.



Renewable energy lease interest expense

Renewable energy lease interest expenses refer to interest expenses on the Solar farms' project lease liability. Renewable energy lease interest expenses increased by 15.2% reached JD 3.0 million in 2021 compared to JD 2.6 million in 2020.

Lease interest expenses

Lease interest expenses refer to interest expense on the lease liabilities of Group premises and network site rentals for which the rent term is higher than 12 months. Lease interest expenses reached JD 2.4 million in 2021, lower than 2020 by 0.4%.

Net foreign exchange difference, finance costs, and finance income

Net foreign exchange difference is generated from the Group's transactions in foreign currencies and translation of monetary assets and liabilities. Finance costs consist of the interests and other charges, which are paid on the Group's financial indebtedness. On the other hand, Finance income consists of income earned on cash deposits in various currencies. The total cost of the three entries decreased by 27.1% to reach JD 5.1 million in 2021, compared to JD 6.9 million in 2020.

Other income

Other income consists of gains and losses on dispositions of fixed assets and other miscellaneous income. Other income reached JD 2.0 million in 2021, compared to JD 4.3 million in 2020.

Income tax

In 2021 the Group reported JD 12.1 million as income tax, compared with JD 7.8 million in 2020.

Profit for the year

Jordan Telecom Group generated JD 26.1 million as net profit after tax for 2021, with an increase of 49.3%, compared to JD 17.5 million in 2020. This increase came mainly due to higher revenues and a lower financing cost.

Net variation in cash and cash equivalent

Net cash flows from Operating Activities, the source of liquidity, increased by 15.8% to reach JD 108.0 million, compared to JD 93.2 million for 2020.

Net cash flows used in Investing reached JD 55.5 million in 2021, compared to JD 48.7 million in 2020.

Net cash flows from Financing Activities reached JD 49.6 million used in 2021, compared to JD 41.0 million used in 2020. The increase is due to CBJ instructions regarding COVID-19 impact and loan payments, which were postponed during 2020.

Cash and cash equivalent

Cash and cash equivalent increased by 309.6% to reach JD 3.8 million in 2021 compared to JD 0.9 million in 2020.

Capital expenditures

Capital expenditures for Jordan Telecom Group reached JD 67.5 million at the end of 2021, compared with JD 60.5 million at the end of 2020.

Group subscribers

Jordan Telecom Group subscribers showed an increase of 5.7% to reach 3.4 million lines in 2021, compared to 3.2 million lines in 2020, due to the increase in fiber, mobile, and Orange money base.

Human resources

Jordan Telecom Group's number of permanent contract employees decreased by 1.8%, from 1,623 in 2020 to 1,594 in 2021. The number of temporary contract employees increased by 13.3%, from 98 in 2020 to 111 in 2021.

Staff efficiency

The Group's efficiency indicator increase by 7.1% to reach JD 209 thousand revenue per permanent employee in 2021 compared to 195 thousand in 2020. The number of lines per employee reached 2,149 lines in 2021 compared to 1,996 lines in 2020, showing an increase of 7.6% against 2020.

Group Business Segment analysis:

Presented below are the revenues for each business segment of the Group:

- Orange fixed and Orange internet
- Orange mobile
- Renewable energy
- Orange Money

(MJD)	2021	2020	Change%
Revenues			
Orange fixed & Orange internet	207.0	203.6	1.7%
Mobile Communication	171.3	164.8	3.9%
Renewable energy	8.7	5.7	51.3%
Orange Money	1.0	0.4	148.1%
Intercompany	(54.5)	(57.5)	(5.2)%
Total Revenues	333.5	317.1	5.2%

The calculated variance may differ from the financials due to the rounding factor.

Orange fixed and Orange internet

Orange fixed services are the Group's largest business segment despite the opening of the market to competition and entry of new fixed broadband service providers, such as; fiber internet service.

Orange internet provides various services, such as; corporate internet leased lines, fixed internet service for residential and corporate, web-hosting, and ICT services.

In addition to regular fixed calling services, Orange fixed provides high-speed fiber internet services for residential and corporate through its fiber-optic network, which covers areas throughout the Kingdom with competitive prices and high quality.

Revenues (Orange fixed) and (Orange internet)

Orange fixed and internet revenue increased by 1.7% in 2021 compared to 2020 due to the growth in fixed broadband and business services revenues despite the drop-in wholesale international voice transit.

Mobile communication (Orange mobile)

The Group's mobile communication segment consists of the mobile communication products and services offered by Orange mobile, which was registered in September 1999, to build a new, highly advanced mobile communication network to serve the Kingdom. Orange mobile began commercial operations in September 2000 as the second provider of mobile services in Jordan.

Revenues (Orange mobile)

Orange mobile witnessed an increase in revenues by 3.9%, compared to 2020. The increase was mainly due to the growth in voice, data, and equipment revenues despite the drop in local mobile termination revenues.

Renewable energy

Renewable energy operations started in 2019 following the production of electricity from the solar farms' project.

Orange Money

Orange Money is a money transfer, payment, and financial services solution provided via an electronic account linked to an Orange mobile number.

Revenues (Orange Money)

Orange Money revenues witnessed an increase in 2021, reaching JD 1.0 million, compared to JD 0.4 million in 2020.

Disclosure Report for the Year 2021 Under the Directive of the Security Commission

Bridging the gap between education outcomes and labor market requirements
We contribute to empowering young people, to help them achieve their dreams, by embodying the concept of "training for employment" which has become an umbrella for the free training opportunities that we offer at Orange digital centers across the Kingdom, to supply the labor market with trained talents capable of achieving excellence.

1. The services rendered by Jordan Telecom Group – Orange:

- Fixed telephone service + Fiber.
- Mobile services (voice + data).
- Internet services (ADSL, FTTH).
- Wholesale services.
- Services dedicated to enterprises (B2B) (managed network services and other advanced services such as Data Center, Cloud, or Machine to Machine services).
- Electronic Payment Services through Mobile Phone (Orange Money).
- Development of Renewable Energy Projects.

Company's locations and the number of employees in each area:
Headquarter offices, Abdali, The Boulevard, Black Iris Street, Entrance 8, P.O. Box 1689, Amman 11118 Jordan.

Governorate	No. of locations	No. of employees
Headquarters	1	493
Amman	61	674
Ajloun	12	6
Irbid	56	88
Jerash	13	6
Al-Mafraq	37	17
Al-Balq'a	21	19
Madaba	9	14
Al-Zarqa	17	34
Al-Aqaba	13	21
Al-Karak	33	28
Ma'an	17	11
Al-Tafilah	12	6
Total	302	1,417

The amount of capital investment for Jordan Telecom in 2021 was JD 39,540,742 and JD 67,516,855 for Jordan Telecom Group.

2. Subsidiaries:

All Subsidiaries Headquarter offices, Abdali, The Boulevard, Black Iris Street, Entrance 8, P.O. Box 1689, Amman 11118 Jordan

Name of the subsidiary	Nature of business	Capital JD	Equity %	No. of emp.
Petra Jordanian Mobile Telecommunications Co. Ltd. (Orange Mobile)	GSM Operator	70,000,000	100%	235
Jordan Data Communications Co. Ltd. (Orange Internet)	ISP	750,000	100%	22
Dimension Company for Digital Development of Data Ltd. (e-Dimension)	Development of Renewable Energy Projects	220,000	100%*	-**
Petra Mobile Payment Services Company (Orange Money)	Electronic Payment Services through Mobile Phone	2,000,000	100%***	31
Future Pioneers for Development and Initiatives	Orange Foundation	15,000	100%****	-**

*The percentage of ownership for Dimension Company for Digital Development of Data Ltd. (e-Dimension) is 51% for Jordan Telecommunications Company and 49% for Petra Jordanian Mobile Telecommunications Co.
** the employees for e-Dimensions' & Future Pioneers for Development and Initiatives became a part of Jordan Telecommunications Company's staff.
*** Petra Mobile Payment Services Company is fully owned by Petra Jordanian Mobile Telecommunications Company.
**** Future Pioneers for Development and Initiatives is fully owned by Petra Jordanian Mobile Telecommunications Company.

3 a. Members of the Board of Directors:

H.E. Dr. Shabib Ammari
Chairman of the Board of Directors
Date of birth: 22/2/1941

Dr. Shabib Ammari, the Chairman of the Board of Directors of Jordan Telecom Group - Orange Jordan since January 2000 till now. He was representing the Government of Jordan till 2006. Dr. Ammari was repeatedly elected as the Chairman of the Board of Directors representing Orange Group S.A. in the year 2006 and onward.

He was re-elected on Oct 24, 2018, for a new term of four years. A Royal Decree included the appointment of His Excellency Dr. Shabib Ammari as a member of the Senate (10/2013 – 10/2016). During that period, he was Chairman of the Board of Orange Jordan. A Royal Decree included Dr. Shabib Ammari as Minister of Industry and Trade in His Majesty's Government of H.E. Dr. Fayez Tarawneh from 5/2012 to 10/2012. When the Cabinet resigned to pave the road for Parliamentary elections, Dr. Ammari rejoined the Board of Directors on 24/10/2012 and was elected as the Chairman of the Board of Directors on that date and till now.

Dr. Ammari was Deputy Chairman of the Board of Trustees of the Royal Scientific Society (H.R.H. Prince Al-Hassan Bin Talal Chair). He was on the Board of Trustees of PSUT for seven years, a member of the Higher Privatization Council, the Economic Dialogue Committee, the Board of Trustees of King Hussein Bin Talal University, and the Board of Directors of the Arab Jordan Investment Bank.

Dr. Ammari holds a Ph.D. in Economics (1980) from the University of Southern California (USA), where he worked as a Senior Lecturer. He also lectured in economics for students at Calif. State University at Long Beach and California State Polytechnic University at Pomona until 1985, after which he returned to Jordan and worked in the private sector in the capacity of CEO.

Mrs. Mireille EL Helou
Vice-Chairman of the Board of Directors
Date of birth: 22/10/1969

Mrs. Mireille El Helou has a globe-spanning history of working in the ICT industry.

She has worked in different positions during her 20 years at the Orange Group, including Director of Sourcing and Supply Chain Transformation between 2007 and 2010, Director of Orange Middle East and Africa Sourcing & Supply Chain between 2010 and 2013 and Chief Business Market Officer and acting CEO of Orange Telkom Kenya between 2013 and 2016.

From 2016 to 2019, she was the General Manager of Orange Réunion Mayotte. She led the telco operations with a team of nearly 1,000 employees, launching the best 4G network, achieving the high-speed FTTH network leadership and spearheading the digital transformation.

More recently, she was the CEO of Orange Silicon Valley, leading a multi-disciplinary team who leverage a unique understanding of the local US innovation ecosystem and market to inform the strategy and business of the Orange Group.

Prior to joining Orange, Mireille worked in sales and marketing for more than nine years. She holds a Mechanical Engineering degree from the American University of Beirut.

Mireille was appointed Senior Vice President MENA and Safety at Orange Middle East and Africa on September 1, 2021.

Mr. Bisher Jardaneh
Member of the Board of Directors
Date of birth: 13/3/1961

Mr. Bisher Jardaneh is currently a member of the Board of Directors of Orange Jordan. He is also the Executive Chairman of Arabtech Jardaneh Group and the Chairman of Invest bank.

Mr. Jardaneh is a member of the Board of Trustees of Princess Sumaya University for Technology, The Chairman of Taawon Association (Geneva), Chairman of Arab Cultural Society (Al Raed Al Arabi School), Board member of Jordan Strategy Forum to which he is a founder and earlier two terms vice-chairman.

Formerly, he served as a member of the Royal committee of "Kulluna Al Urdun," the Royal Commission for Jordan's Water Strategy, the Executive Committee of the International Federation of Consulting Engineers (FIDIC) / Geneva, the Social Security Investment Fund (SSIF) board, Greater Amman Municipality's Council as the head of its Financial Committee. He also held the position of the Chairman of the National Resources Investment and Development Corporation, Vice Chairman of the Abdali Investment and Development Company, the Chairman of the Abdali Boulevard Company, the Chairman of Al Daman for Development Zones Company, Chairman of Architects and Engineers Business Council (AEBC) and a Member of Jordan's National Agenda Committee.

He is also a member of the Young Presidents Organization (YPO), Jordan Engineers Association, Jordan Businessmen Association and Jordan European Business Association.

Mr. Jardaneh holds a bachelor's degree in Civil Engineering from the University of Illinois, and a master's degree in Construction Management from the University of California, Berkeley.

Mr. Jérôme Hénique
Member of the Board of Directors
Date of birth: 27/11/1969

Mr. Jérôme Hénique has over 25 years of experience in the ICT field, during which he worked in a diverse array of markets spanning France, Spain, Senegal, and Jordan, cultivating an extensive experience in the management of international teams, P&L management, and telecom market development.

Prior to being appointed in 2018 as Deputy CEO - Chief Operating Officer of Orange Middle East and Africa, he joined Orange Jordan as CEO in September 2015. He worked as Deputy CEO of SONATEL Group — an Orange subsidiary based in Dakar covering four countries in West Africa — between 2010 and 2015. Where he also served as Chairman and a member of several of the Group's boards.

Before joining SONATEL, Mr. Hénique served as Group Chief Marketing Officer at Orange between 2009 and 2010, leading the international marketing team in Paris, London, and New York and becoming a member of the Orange Executives Network.

He also acted as Chief Marketing Officer of the Consumer Market at Orange France between 2006 and 2009. Where he led the operator's marketing operations and successfully consolidated broadband market share in France.

Mr. Hénique also worked as Chief Marketing Officer of Wanadoo Spain from 2000 until 2003, managing the company's nationwide marketing operations, and as Chief Marketing Officer of Wanadoo Group from 2003 to 2006.

Mr. Hénique has an MBA in Management of Network Business from ENSPTT in Paris and a BA in Economics, Marketing, and Finance from the Paris Institute of Political Studies. He followed as well the 2021 Stanford Executive Program.

B. G. Dr. Eng. Hisham Khraisat
Member of the Board of Directors
Date of birth: 25/12/1965

B. G. Dr. Hisham Khraisat is a telecommunication engineer with more than thirty years of experience in the operational and executive management of telecommunications technologies and services, with practical experience in network planning, network operations management, and telecommunications policy development.

B. G. Dr. Hisham Khraisat is an active-duty Brigadier General in Jordan Armed Forces, serving as Special Communication Commission (SCC) General Director, in addition to serving as Chairman of the Board of Trustees & Director General of the RCSSTEWA.

B. G. Dr. Hisham joined the Jordan Armed Forces in 1984, where he has held many leadership and administrative positions during his military career, such as; Royal Signal Corps (RSC) Director, Commandant of A-Sharif Nasser C3 Military College, Signal Assessor (Inspector & Evaluator) at the Inspector General's Office, Chief of Encryption Branch at RSC Directorate, Commandant of C4I Center at RSC Directorate, Commander of GHQ Communication level 3 Workshop, Supply and Procurement staff Officer at C3, Instructor at A-Sharif Nasser C3 Military College. UN Military Observer & Staff Officer as Communications & Training Officer.

B. G. Dr. Khraisat holds a Ph.D. degree in Management Philosophy from the World Islamic Science and Education University (WISE), also holds a master's degree in computer science engineering / Embedded Systems from Yarmouk University. His bachelor's degree is in Electrical Engineering / Telecommunications from Mu'tah University.

B. G. Dr. Khraisat is a member of the Board of Directors of Jordan Telecom Group - Orange Jordan, in addition to holding the position of Chairman of the Board of Trustees and Director General of the Regional Center for Space Science and Technology Education for Western Asia, and he was one of the commissioners in Telecommunication Regulatory Commission (TRC). Also, he is the Head of the Communication and Electronics Committee for Standards & Metrology at the national level, and he is ahead of many technical committees' strategy at the JAF HQ level.

B. G. Dr. Khraisat has published many scientific and technical research in the international magazines, in addition to publishing many papers and books in Human Resources and Management fields.

Mr. Abdallah Abu Jamous
Member of the Board of Directors
Date of birth: 30/1/1977

Mr. Abdallah Abu Jamous,is a member of the Board of Directors of Jordan Telecom Group - Orange since August 2017. Currently, he serves as Director of Strategic Planning Department at the Social Security Corporation. He previously occupied the Human Resources Director post at the Social Security Corporation. And prior to that he held the position of the Director of Strategic Planning Department.

Mr. Abdallah Abu Jamous holds a master's degree with honor in Management Information Systems from Al Balqa Applied University and a bachelor's degree in Accounting from Yarmouk University. Additionally, he earned several professional certificates, including Certified Project Management Professional Certification (PMP), Certified Risk Management Professional Certification (PMI - RMP) from the American Project Management Institute PMI, Certified Strategic Planner (CSP) from the American Accredited Consultants Institute, and Quality Assessment Certification (EFQM Assessor) from the European Organization for Quality Management.

Mr. Abu Jamous was named as the Best Employee in the Hashemite Kingdom of Jordan for the year 2012 (The Best Employee Award issued from the Civil Service Bureau).

Mrs. Dorothée Vignalou
Member of the Board of Directors
Date of birth: 2/1/1970

Mrs. Dorothée Vignalou is currently a member of the Board of Directors of Orange Jordan and the Deputy Chief Financial Officer of Orange Middle East and Africa. Prior to that, she was the Head of Central Controlling of Orange Business Services from Jan. 2014 – March 2018. She was the Head of Controlling Solutions and Referential at Orange Group Finance from Sep. 2003 - Dec. 2013. She previously held the position of Consultant then Project Manager at France Telecom Finance Division from Sep. 1994 - Aug. 2003.

Mrs. Vignalou graduated from Sciences Po Paris with a master's degree in Economics & Finance Section in 1993.

3.b. Top management (Executives):

The management is in charge of managing the day-to-day work of Orange Jordan and its subsidiaries.

Mr. Thierry Marigny
Chief Executive Officer of Orange Jordan
Date of birth: 15/4/1963

With more than 30 years of experience in the ICT sector, Thierry Marigny has worked in a diverse array of global markets across Europe, Middle East, and Africa, cultivating robust expertise in Global management, marketing, strategic planning, and corporate communication. He is currently the CEO of Orange Jordan since 2018, Marigny had deep experience in the development of telecommunication operators. Most recently, he served as the Deputy CEO of SONATELGroup — an Orange subsidiary based in Dakar, covering five countries in West Africa. In addition to his most recent tenure, he served as CEO of Orange Tunisia, Deputy CEO of Cellis (Lebanon), Chief Marketing Officer of Orange Belgium, Orange's Global Brand Vice President, Orange Vice President of Marketing for Mobile Services.

Among his other past experiences and achievements, he has a strong understanding of the Digital Ecosystem, as he served as the Founder and CEO of Cityneo: A Paris-based start-up focused on mobile applications and location-based services.

Marigny holds a master's degree in Marketing and Finance from Dauphine University in Paris. He is also a graduate of the Institute Mines-Télécom Business School in France, where he attained a master's degree in Telecommunications Management.

Mr. Raslan Deiranieh
Deputy Chief Executive Officer
Chief Financial and Strategy Officer
Date of Birth: 17/11/1963

Mr. Raslan Deiranieh is the Deputy Chief Executive Officer and the Chief Financial and Strategy Officer of Jordan Telecom Group – Orange Jordan, In charge of Compliance & Ethnic and Network Information Security. He joined Jordan Telecom in 1998 as a Treasury Director.

Before that, Mr. Deiranieh served as head of the Foreign Investments Section at the Central Bank of Jordan.

Mr. Deiranieh is currently a Board Member in the Central Bank of Jordan, a Board Member of the Faculty of Arts at the University of Jordan, and a Board Member of JAMA (Jordan Association of Management Accountants). He is also the Chairman of the e-Dimension Company

He was previously a Board Member in Safwa Islamic Bank, a Board Member of Jordan Data Communications Co, Chairman of Light Speed Company based in Bahrain, and the Chairman of the Petra Mobile Payment Service Co.

He has previously represented the Social Security Corporation on the Board of Directors of Jordan Press Foundation (Al-Rai Newspaper) and the Board of Jordan Steel Company.

Mr. Deiranieh holds a bachelor's degree in Accounting and Computer Science with honors from Al-Yarmouk University (1985) as well as the award of Scientific Excellence from the same university, and the Distinguished Graduates award. Mr. Deiranieh holds a master's degree in Accounting from the University of Jordan (1992) and has a certificate of Orange Finance and Controlling from ESCP Business School (2008).

Eng. Sami Smeirat
Chief Enterprise Officer
Date of birth: 13/4/1971

Mr. Smeirat has held the position of CEO of Jordan Data Communication Company Ltd. since 2007, in addition to his position as the Chief Enterprise Officer that provides services of telecommunications solutions (mobile, internet, and fixed) for the public and private sectors in the Jordanian market. In 2003, he was the Chief Executive Officer of Wanadoo, until it was re- branded to Orange Internet.

He also led the exclusive partnership with Equant as their distributor in Jordan, and the re-branding of Global One to Wanadoo. Prior to that, he was the co-founder of Cyberia Jordan in 2001, in which he worked as the deputy CEO and Chief Commercial Officer. He also worked as the Corporate Sales Manager at Global One since 1996, before managing Consumer and Corporate Sales since 1999 and Teaching and Research Assistant at the University of Jordan for two years. He also was a former board member of Zara Investment Holding, as well as a former board member of Lightspeed Communications (Bahrain).

Recently he was appointed as Representative of the Social Security Corporation at the Board of the Jordan Phosphate Mines Company. This new role is added to many leading roles that he holds and continues to carry out successfully, including the chairman of Petra Company for Mobile Payment Services, and being a member of the Board of Directors of Cairo Amman Bank, the International Data Center Authority (IDCA), the National Cyber Security Council (representing the private sector), and Princess Sumaya University for Technology's Board of Trustees, also a board member of Sodetel.

Mr. Smeirat holds a BSc in Electrical Engineering from the University of Jordan and a master's degree in Communications Engineering, as well as an MBA in Business Administration from NYIT.

Eng. Waleed Al Doulat
Chief Wholesale Officer
Chief Information Technology & Networks Officer
Date of birth: 2/5/1966

Mr. Waleed Al Doulat has held the position of Chief Wholesale Officer of Jordan Telecom Group - Orange Jordan since 2010, from July 2016. Mr. Al-Doulat has been assigned the role of Chief Information Technology & Networks Officer, in addition to his current position as Chief Wholesale Officer.

In 1992, he joined the Jordan Telecom Group as an Operation and Maintenance Transmission Engineer, where he worked his way up to his current position.

Mr. Al-Doulat received his BSc degree in Electrical Engineering/ Telecommunications from the Jordan University of Science and Technology (JUST) in 1989. Following his graduation, he worked at the same University as a Teaching Assistant until late 1991.

Dr. Ibrahim Harb
Chief Legal, Regulatory, Sourcing and Supply Chain Officer
Chief Human Resources Officer
Date of Birth: 17/5/1961

Dr. Ibrahim Harb has held the position of Chief Legal, Regulatory, Sourcing, Supply Chain, and Human Resources Officer of Orange since July 2020.

Prior to that, Dr. Harb was acting the Chief Human Resources Officer of Orange Jordan, adding to Chief Legal, Regulatory, Sourcing, Supply Chain Officer (March 2020- July 2020).

Prior to that, Dr. Harb was the Chief Legal, Regulatory, Sourcing, and Supply Chain Officer of Orange Jordan (2017-2020).

Prior to that, Dr. Harb was the Chief Legal, Regulatory and Sourcing Officer of Orange Jordan (2014 – 2017). He was the Chief Legal and Regulatory Officer of Orange Jordan (2010 - 2014) and the Legal and Regulatory Director of Orange Jordan (2005 - 2010). Before that he had held in 2004 the position of Acting Human Resources Officer at Jordan Telecom and was the Training Manager and the Training Center Manager (1999 - 2004) at Jordan Telecom.

Dr. Ibrahim holds a Ph.D. in Communications Engineering.

Mrs. Naila Al Dawoud
Chief Consumer Market Officer
Date of Birth: 3/4/1968

Naila Al Dawoud has held the position of Chief Consumer Marketing Officer since July 2017. Mrs. Al Dawoud has more than 27 years of experience at Orange Jordan and Orange Group in the core disciplines of the telecommunication and marketing sectors. Her career path took a different turn after 12 years of experience at the IT sector to explore new challenges in the commercial and marketing field.

Prior to becoming Chief Consumer Marketing Officer, Mrs. Al Dawoud worked as Marketing Director for 7-years.

Before that, she occupied many managerial positions at Orange Jordan and Orange France. In 2006, her experience was enriched by managing multi ITN-Programs within Network Carrier & IT sector at Orange Group in France.

Mrs. Al Dawoud holds a bachelor's degree in computer science from Yarmouk University. In addition, an Application Engineer Diploma (Design, Communication, and Development) from Centre of the International Cooperation for Computerization (CICC) – Tokyo, Japan.

Mr. Samer Al Haj
Chief Consumer Sales Officer
Date of Birth: 27/8/1976

Samer Al Haj has been appointed as Chief Consumer Sales Officer on 1st of July 2017. Mr. Haj has more than 21 years of relevant experience in the telco industry, during which he held a variety of managerial positions that have enriched his experience in the telecommunication sector.

Prior to being appointed as Chief Sales Consumer Officer, Mr. Al Haj worked at Orange JO as the Sales Director for 6 years; he previously occupied many managerial positions with Viva Bahrain and Zain Jordan, through which his leadership and ability to develop a successful business, set-up commercial operations, and develop distribution strategies has been proven.

He holds a bachelor degree in Educational Sciences from University of Jordan, in addition to Telecom Mini MBA from Telecoms Academy.

Mr. Jallale Bassou
Deputy Chief Information Technology and Networks Officer
Date of Birth: 15/3/1974

Mr. Jallale Bassou joined Orange Jordan and the Executive Committee (Excom) as the Deputy Chief Information and Network officer in October 2019. He is in charge of the digital and data factory, operations, budget controlling and operational efficiency programs.

With over 10 years experience in key managerial positions such as IT, network, engineering and operations,

Mr. Bassou is a trusted expert in greenfield operators and transformation of existing telecom organization.

From 2015 to 2019, Mr. Bassou served as the Senior Director at Orange Morocco leading the transformation of operations activities and technical customers experience. Prior to that and from 2009, he was a Director in charge of new roll out and technical operation activities in Orange Tunisia. From 2002 to 2009, Mr. Bassou joined Oreedoo Tunisia as an Engineering Manager to the IT Director within the technical area. He had originally started his career as part of the Orange Group's subsidiaries in Europe and South America

Mr. Bassou is a graduate in Electronic and Telecommunication Engineering from Nancy University in France.

Mr. Wilfried Yver
Chief Digital, Data, Innovation & Money Officer
Date of Birth: 21/2/1972

Mr. Wilfried Yver has over 20 years of experience in telecommunications and digital services, and global marketing and sales practice. He joined the Orange Group in 1998 and then joined Orange Jordan in December 2020 as a Chief Digital, Data, Innovation & Money Officer.

Previously Yver occupied several positions in Orange Innovation – Orange Middle East and Africa (OMEA), Orange Wholesale, and Orange Business services Divisions.

Wilfried Yver has vast international experience and knowledge and was notably Vice President MVNO and VISP Business Line for Orange Horizons, conducting international business developments missions over 4-continents. He was also a Chief Marketing Officer and Orange Money Chief Officer for Orange Mali and served as a Chief Internet, B2B, and Wholesale officer for Orange Botswana.

Yver holds two master's degrees; an MBA from Anderson College, University of New Mexico, with a major in Finance and Strategic Marketing, and a Master of Business from Normandy Management School, focusing on International Business.

Eng. Rana Al Dababneh
Deputy Chief PR, CSR, and Corporate Communication Officer
Date of birth: 6/7/1979

Eng. Rana Al Dabaneh has more than 20 years of experience in telecom and ICT, in areas of marketing, product development, project management, public relations, corporate communication, and sustainable social corporate responsibility.

She held many positions in Orange Jordan, as she was assigned to oversee the outsourcing call center project at Orange Jordan (Jordan Telecommunications at that time), in addition to partnerships with public and private sectors for two years, and later the role of Marketing Manager in the company's internet provider (Wanadoo at that time), which contributed to the integration of the ISP with Jordan Telecom Group and its rebranding to Orange in 2007.

Eng. Al Dababneh joined the enterprise business unit to take over the development of products such as corporate internet solutions, fixed lines, mobiles, and integrated managed services, in addition to operational marketing, until she became the Marketing Director of the unit in 2009.

She was appointed Director of the Project and Performance Management Office for the Group from 2012-2015, where she assumed the responsibility of defining the company's strategic goals and ensuring their achievement, as well as managing the governance and delivering the company's projects.

In 2016, Eng. Al Dababneh was assigned to lead the Department of Public Relations, Social Responsibility and Corporate Communication in Orange Jordan, working under the direct management of the CEO. In July 2021, she was appointed Deputy Chief PR, CSR, and Corporate Communication Officer, where she extensively manages public relations, corporate communication, and the company's image and brand, as well as the company's CSR programs that make a positive impact on the lives of more than 20,000 beneficiaries. She is also a member of Orange Jordan's Executive Committee.

Before joining Orange Jordan, Eng. Al Dababneh worked as a consultant in Philadelphia Consulting Group between 2001 and 2002. Eng. Al Dababneh holds a Bachelor's degree of Science in Industrial Engineering from the University of Jordan, with a minor specialization in Management, alongside many certificates such as Board Member Certificate offered by the International Finance Corporation from the Institute of Jordanian Directors, Executive Marketing Program Certificate from INSEAD and Project Management Professional Certificate from PMI.

4. The names of shareholders who own 5% or more of the capital as of 31st of December 2020 and 2021:

Shareholders	No. of shares 31.12.2020	Shareholding % (2020)	No. of shares 31.12.2021	Shareholding % (2021)
Joint Investment Telecommunications Co.	95,624,999	51%	95,624,999	51%
Social Security Corporation	54,150,000	28.88%	54,150,000	28.88%
Noor Telecommunications Holding Company Limited	17,437,794	9.30%	17,437,794	9.30%
Total	167,212,793	89.18%	167,212,793	89.18%

5. The competitive situation of the company:

After the exclusive rights termination on the 1st of January 2005, the TRC issued individual and class licenses for fixed line services to several companies. Additionally, the mobile telecommunication service has affected the company's market share in the local market.

The company's share of the total domestic market:
Orange fixed services >90%
Orange mobile services 30-35%
Orange internet services 40-45%

6. The degree of dependence on specific resources:

The Jordan Telecom Group purchased more than 10% of the total purchases from:
Nokia Solutions and Networks Oy (25%)

There is no reliance on major local and/or external clients who make up 10% or more of total revenue.

7. The privileges enjoyed by the company:

Jordan Telecom does not enjoy any privileges and does not hold any patent. On the other hand, Jordan Telecom has the right to use the brand name of "Orange."

8. The decisions of the Government:

No decisions were issued by the Government, international organizations, or others, which have a material effect on the Group's business, products, or competitive ability. According to the license issued to it.

The Group complies with international quality standards and applies the following Quality standards:
- Data Center Uptime Tier III Design Certificate.
- Data Center Uptime Tier III Constructed Facility Certificate.
- ISO 14644 Cleanroom data center standard certificate for three data centers with 9-certificates.
- ISO 14001 Environmental Management standard Certificate.
- ISO/IEC 27001 Information Security Management standard compliance.
- ISO 50001 - Energy Management Systems standard compliance.
- ANSI/TIA-942 Telecommunications Industry Association Standard compliance.
- EN50600 Data center facilities and infrastructures standard compliance.
- PCI DSS Payment Card Industry Data Security Standard compliance.
- ASHRAE American Society of Heating, Refrigerating and Air-Conditioning Engineers standard compliance.
- GEEIS (Gender Equality European & International Standard).
- COPC – Customer Operations Performance Center.
- ISO 45001 -2017 Occupational health &safety.
- ISO 14001 -2015 Environmental.
- EFQM Excellence Model - Recognized for Excellence(R4E) - 4-stars.

9.a The organizational structure of Jordan Telecom Group:

Board of Directors

- Audit Committee
- Remuneration & Nomination Committee
- Corporate Governance Committee
- Risk Management Committee
- Chief Executive Officer
- Legal Advisor Mr. Thaer Najdawi

Chief Executive Officer – Thierry Marigny

- Deputy Chief Executive Officer/Chief Financial & Strategy Officer – Raslan Deiranieh
- Chief Enterprise Officer – Sami Smeirat
- Chief Wholesale Officer/Chief Information Technology & Networks Officer – Waleed Al-Doulat
- Chief Legal, Regulatory, Sourcing and Supply Chain Officer / Chief Human Resources Officer – Ibrahim Harb
- Chief Consumer Market Officer – Naila Al Dawoud
- Chief Consumer Sales Officer – Samer Al Haj
- Deputy Chief Information Technology & Networks Officer – Jallale Bassou
- Chief Digital, Data, Innovation & Money Officer – Wilfried Yver
- Deputy Chief PR, CSR, and Corporate Communication Officer – Rana Al Dababneh

9 B. The number of employees and type of qualifications:

qualification	Jordan Telecom (Orange Fixed)	Petra Jordanian Mobile Tel. Com. (Orange Mobile)	Jordan Data Communication Co. (Orange Internet)	Petra Mobile Payment Services Company (Orange Money)
Doctorate (PhD)	6	0	0	0
Master's	68	20	3	0
High Diploma	3	1	0	0
BA	918	193	15	30
Diploma	251	13	0	0
Tawjihi	53	5	2	0
Below Tawjihi	118	3	2	1
Total	1,417	235	22	31

9 c.Training programs during 2021:

No.	Description	Number of trainees
1	Financial courses & HR	669
2	Management courses	341
3	Marketing & sales courses	955
4	Project management, supply chain & Quality courses	154
5	Technical courses	727
6	Computers courses	824
7	Language courses	43

10. The risks to which Jordan Telecom Group is exposed:

Jordan Telecom Group faces risks of competition from mobile telecommunications and other telecom companies that serve fixed-line services.

11. The achievements realized by the company:

The achievements were mentioned in Jordan Telecom Group results.

12. The operations of infrequent nature during 2021:

There is no financial impact for non-recurring transactions that occurred during the fiscal year, which are unrelated to the core activities of the company.

13. The time series of profits, distributed dividends, shareholders' equity, and shares prices issued by the company for five years:

	2017	2018	2019	2020	2021
Profits in (JD)	24,030,280	21,307,063	19,044,843	17,502,121	26,124,291
Distributed dividends (JD)	24,000,000	21,500,000	15,000,000	18,750,000	27,000,000*
Dividends %	12.8%	11.46%	8%	10%	14.4%
Shareholder's equity in (JD)	274,244,221	273,936,814	271,481,657	273,983,778	281,358,069
Shares prices (JD)	2.14	1.39	1.44	1.47	2.14

* Proposed dividend in 2021.

14. The analysis of the financial position of Jordan Telecom Group:

The financial analysis was included in the consolidated financial and statistical highlights.

15. Future outlook:

This part is mentioned in “The future vision of the Group”.

16. The remuneration of the external auditor of the company and its subsidiaries during 2021:

The Company	Auditing remuneration (JD)	
	Ernst & Young	Deloitte & Touche
Jordan Telecommunications Co. (Orange Fixed)	13,000	33,250
Petra Jordanian Mobile Telecommunications Co. Ltd. (Orange Mobile)	-	33,250
Jordan Data Communications Co. Ltd. (Orange Internet)	-	4,577
Dimension Company for Digital Development of Data Ltd. (e-Dimension)	-	4,500
Petra Mobile Payment Services Company (Orange Money)	-	8,000
Future Pioneers for Development and Initiatives	-	2,000

17. The shares owned by the members of the Board of Directors and top management:

None of the members of the board of directors owned shares, except for H.E. Dr. Shabib Ammari – Chairman who owns (1) share and Brigadier General Dr. Eng. Hisham Khraisat is a Member of the BOD and owns (375) shares.

None of the top management members owned shares or any company controlled, nor their relatives except for Mr. Raslan Deiranieh, who owns (21,500) shares.

Statement of the members of the Legal Entities Board of Directors, their representatives, and the ownership of each one of them.

No.	BOD	Status	Position	Nationality	No. of shares as of 31/12/2021	No. of shares as of 31/12/2020
1	Joint Investment Telecommunications Co. represented by	Legal entity		Jordanian	95,624,999	95,624,999
	1.1 H.E. Dr. Shabib Ammari		Chairman of the BoD	Jordanian	1	1
	1.2 Mrs. Mireille EL Helou		Vice-Chairman of the BoD	French	-	-
	1.3 Mr. Jérôme Hénique		Member of the BoD	French	-	-
	1.4 Mrs. Dorothée Vignalou		Member of the BoD	French	-	-
2	Social Security Corporation represented by	Legal entity		Jordanian	54,150,000	54,150,000
	2.1 Mr. Abdallah Abu Jamous		Member of the BoD	Jordanian	-	-
	2.2 Mr. Bisher Jardaneh		Member of the BoD	Jordanian	-	-
3	Government of the Hashemite Kingdom of Jordan/ Jordanian Armed Forces represented by	Legal entity		Jordanian	8,625,000	3,000,001
	3.1 Brigadier General Dr. Eng. Hisham Khraisat		Member of the BoD	Jordanian	375	375

18. The remunerations and rewards in 2021 for the members of the Board of Directors and for the top management members were:

No.	BOD	Committees' remuneration	Transportation	Annual BOD remuneration 2020	Travel	Total
1	H.E. Dr. Shabib Ammari	107,800	7,200	5000	875	120,875
2	Mrs. Mireille El Helou*	1,242	1,490	1,035	0	3,767
3	Mr. Bisher Jardaneh**	6,000	7,200	5,000	525	18,725
4	Mr. Jérôme Hénique*	0	7,200	5,000	0	12,200
5	Brigadier General Dr. Eng. Hisham Khraisat	6,000	7,200	5,000	525	18,725
6	Mr. Abdallah Abu Jamous**	6,000	7,200	5,000	525	18,725
7	Mrs. Dorothée Vignalou*	6,000	7,200	5,000	0	18,200
8	Mr. Anis Hamdani*	2,958	3,550	2,465	0	8,973
9	Mr. Taieb Belkahia*	1,800	2,160	1,500	0	5,460
	Total	137,800	50,400	35,000	2,450	225,650

*All amounts are paid to Orange Group.

**Remuneration, commissions, and mobility allowances were paid to the Social Security Corporation.

Number of Board meetings during 2021 (6).

Paid amount to top management:

No.	Name	Salary	Additional granting	Distributed EOS indemnity	Bonus	Transportation	Travel	Others	Total
1	Mr. Thierry Marigny	69,063	0	0	0	0	0	0	69,063
2	Mr. Raslan Deiranieh	157,200	26,200	13,100	118,393	9,600	360	2,861	327,714
3	Mr. Sami Smeirat	126,636	21,106	10,553	95,396	9,600	360	2,470	266,121
4	Mr. Waleed Al-Doulat	120,000	20,000	10,000	87,488	9,600	0	2,199	249,287
5	Dr. Ibrahim Harb	133,500	22,250	11,125	94,216	9,600	0	2,199	272,890
6	Mrs. Naila Al Dawoud	96,000	16,000	8,000	68,744	9,600	360	0	198,704
7	Mr. Samer Haj	84,000	14,000	7,000	60,320	9,600	0	0	174,920
8	Mr. Jallale Bassou	84,000	0	0	19,690	2,400	0	0	106,090
9	Mr. Wilfried Yver	22,500	0	0	0	0	0	0	22,500
10	Mrs. Rana Al Dababneh	30,000	5,000	2,500	7,712	4,820	0	0	50,032
	Total	922,899	124,556	62,278	551,959	64,820	1,080	9,729	1,737,321

19. Donations and grants:

No.	Donations to	Amount
1	The General Trade Union of Workers in Public Services & Free Occupations	96,000
2	The Ministry of Education	33,350
3	Al Zarqa Municipality	25,000
4	Ministry of information and communications technology	20,900
5	Greater Madaba Municipality	15,000
6	Al-Salt Club Sport Cultural	2,000
7	Saham Sport Club	2,000
8	Educational and humanity donations	1,250
9	Jordan Sport Federation for Companies & Establishments	967
10	The Ministry Of Health	646
	Total	197,113

*The above amounts are the total donations, without including sponsorships.

20. The contracts concluded by the company with a subsidiary, sister, and affiliated companies:

There is a management agreement between Orange Jordan and Orange Group. Also, several agreements were signed between the company and its subsidiaries in daily, normal business conduct.

There are no contracts, projects, or engagements entered into by the company with the Chairman of the Board of Directors, members of the Board of Directors, the Chief Executive Officer, or any company employees or relatives thereof.

21. The company's key contributions in the areas of environmental preservation and community service:

Digital Empowerment for Sustainable Development
A vision adopted by Orange Jordan

Responsible Digital Leader

Orange Jordan has reinforced its position as a responsible digital leader over a journey spanning more than 20 years. The company witnessed several milestones during 2021, such as enriching its digital solutions and offerings to ensure the best service, the celebration of Jordan's first centenary, the establishment of Orange Jordan Foundation, to enhance the impact of the company's social responsibility programs, in addition to the launch of the Orange Digital Center.

Supporting National and Local Activities

Supporting the Centenary of the Jordanian State ceremonies

- Participating in various celebrations held on the Centenary across the Kingdom, including Ministry of Culture's "Wa Tastamer Al Maseera" song by Omar Al-Abdallat.

Supporting Ramadan Initiatives

- "Zakatokom Hayati" campaign for the sixth consecutive year, providing donations to underprivileged King Hussein Cancer Center's patients.
- "Mujadedon" initiative, whereby the company donated food parcels and cash through Orange Money wallets that were created for the beneficiaries.

Continued Support to Combat COVID

Orange Jordan has continuously supported governmental efforts since the pandemic's outbreak in 2020, and continued the following efforts in 2021:

- Funded by Orange Foundation, and in cooperation with the National Center for Security and Crisis Management and the Ministry of Health, Orange Jordan Foundation established a vaccination station to support the National Vaccination Campaign, whereby 82,000 received the vaccine.
- Offering free internet bundles to its subscribers upon receiving the first and/or second COVID vaccine doses, in addition to those who received the two doses previously.
- Supporting the medical staff in the Kingdom's four field hospitals, by providing lines and devices, in coordination with the National Center for Security and Crisis Management, and in cooperation with the Ministry of Health and the Ministry of Digital Economy and Entrepreneurship.
- Supporting the Jordan TV's initiative to encourage citizens to take the COVID vaccine.

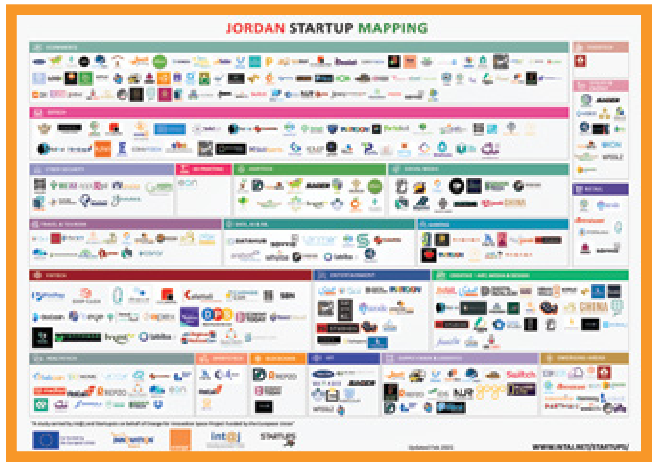
Supporting Events and Initiatives

- Sponsoring the Artificial Intelligence in Defense Technology and Cyber Security Exhibition and Conference (AIDTSEC 2021).
- Telecom sponsor of "Towards Universal Health Coverage in Jordan 2021" conference.
- Telecom sponsor of the seventh edition of HORECA Jordan.
- Sponsoring the Ministry of Education's honorary ceremony for teachers in appreciation of their efforts and impact on the lives of students and society.
- Continuing to support the Goodwill campaign implemented by the Jordanian Hashemite Fund for Human Development (JOHUD), including the mobile clinic, to raise medical awareness and provide healthcare to the underprivileged across the Kingdom.
- Supporting breast cancer awareness campaigns throughout October, including sponsoring the Solidarity March, organized by the Telecommunications Regulatory Commission in cooperation with King Hussein Cancer Foundation, Mediterranean Basin Association for Cancer Patients and Circles Center.
- Honoring the Kingdom's Tawjihi top achievers for the year 2021.
- Signing an agreement to provide exclusive telecom sponsorship to the leagues of Jordan Basketball Federation.
- Sponsoring the fourth Youth MUN Conference, organized by the Youth Model United Nations Club, in cooperation with Abdul Hameed Shoman Foundation.
- Offering the grand prize for the "Tabbakh Afandi" program on Roya TV, as a donation to the Jordan Hashemite Charity Organization, to support its charitable efforts in the Gaza Strip.

Supporting Entrepreneurship and Innovation

Orange Jordan supports companies, pioneering ideas and innovation by giving youth the assistance they need to enhance the growth of their startups and enable them to contribute to serving local communities.

- Sponsoring SHERO conference, held under the patronage of HRH Princess Sumaya bint El Hassan as part of the Global Entrepreneurship Week activities, aimed to shed light on Jordanian female entrepreneurs' contributions.
- Announcing the results of the "Jordanian Startups Landscape" study, supported by the European Union, which was launched by Int@j and the StartupsJo Council on behalf of the "Innovation Space" project.
- The fifth local edition of Orange Social Venture Prize (OSVP) to encourage entrepreneurs and tech-based social impact projects.
- The telecom sponsor of the Internet of Things and Artificial Intelligence challenge.
- Launching "Orange AI Startup Incubator" in partnership with the Innovative Startups and SMEs Fund and Princess Sumaya University for Technology.
- The graduation of five startups from season 8 of Orange Program for Business Innovation Startups' Growth (BIG by Orange).



Digital Empowerment & Inclusion

Expanding the Scope of Orange Digital Centers

- Signing a cooperation agreement with the German Development Cooperation (GIZ) in Jordan, through Labor Market Oriented Vocational Education, Higher Education and Training program (MOVE-HET), to launch and support Orange Digital Center (ODC).
- Concluding the training of two cohorts from the Orange Digital Center Club at the German Jordanian University and at Zarqa Youth Club in cooperation with the Ministry of Youth with the support of GIZ to provide youth with the necessary skills to enhance their employability or launch their entrepreneurial projects.
- Signing a cooperation agreement with the Ministry of Youth to establish digital centers co-funded by the EU across the Kingdom's governorates.
- Inaugurating Orange Community Digital Center at Ma'an Youth Center, under the patronage of the Ministry of Youth, co-funded by the EU, within the framework of the "Innovation Space" project, as part of a plan that includes two more centers with the Ministry in Shobak and Deir Abi Seid.
- Inaugurating Orange Community Digital Center at Kitteh Knowledge Station, with the patronage of the Ministry of Digital Economy and Entrepreneurship, co-funded by the EU, within the "Innovation Space" program, as part of a plan that includes two more centers with the Ministry in Thiban and the Hashemite University.
- Establishing three new women digital centers in partnership with JOHUD, under the umbrella of the "Innovation Space" co-funded by the EU and launching a training course at the existing five women digital centers affiliated with JOHUD, aiming to support and empower women.
- Celebrating International Women's Day and announcing the winners of the Amazing Woman Award, within the framework of the "Women Digital Center" program.
- Signing an MOU with Huawei Jordan and launching the first training to enhance ICT skills in the Kingdom.
- Collaborating with Ericsson to develop students' digital skills through the Ericsson Educate platform, to enhance university students' skills and prepare them to work in the ICT sector.
- Renewing Orange Jordan's agreement with Yarmouk University for the sixth consecutive year, under which it continues its support and sponsorship of the Orange Yarmouk Innovation Lab (OYIL) and launching new training cohorts there.

Digital Inclusion for Persons with Disabilities: "Differently Abled, Definitely Enabled" Umbrella

- Enabling persons with hearing impairments to benefit from sign language translation services through the SignBook application to receive answers to their inquiries from the General Iftaa Department for the first time in the Kingdom during the holy month of Ramadan.
- Offering the SignBook application across all Orange shops in the Kingdom to enable persons with hearing impairments.
- Sponsoring the media competition for the causes related to persons with disabilities launched by the Higher Council for the Rights of Persons with Disabilities under the patronage of the Council's President, HRH Prince Mired Bin Raad, to spread awareness and motivate media representatives to address disability issues from a human rights perspective.
- Supporting an art exhibition for the works of blind and visually impaired students held under the patronage of the company's Chairman, Dr. Shabib Ammari, on World Art Day.
- Continued support for the "Qaderoon" campaign to celebrate the success stories of persons with disabilities and improve inclusion culture.
- Supporting training in mobile phone maintenance for persons with hearing impairments, organized by Al-Nashmiya Arms Center.
- Participating in Humanity and Inclusion Job Fair, which was held by Humanity and Inclusion in cooperation with the Ministry of Labor.
- Participating in honoring Top Tawjihi students with disabilities in the Kingdom.

Digital Financial Inclusion:

Orange Money E-wallet

The company continued to develop its Orange Money e-wallet and enhanced its services, to improve the ease and safety of all users' experiences, and in response to their various needs. The company's e-wallet witnessed a noticeable increase in service beneficiaries, and expanded its work in cooperation with many partners, including:

- Offering donation option to Tkiyet Um Ali, to provide sustainable support to families living below the food poverty line, and to the Hayat Education Fund, to support underprivileged students and fund its various programs, in addition to other charities and civil institutions.
- Partnership with ION, the largest network for charging electric cars in the Kingdom, enabling ION subscribers to recharge their balance through the e-wallet.
- Partnership with "Jeeny" to enable its drivers to purchase vouchers through the e-wallet application.
- Launching a campaign that gave e-wallet users from all networks the opportunity to win valuable prizes.

Digital Education

- Signing an agreement with Princess Sumaya University for Technology, allowing students to benefit from the Coding School programs, one of the initiatives under Orange Digital Center.
- The graduation of 50 students from the Orange Coding Academy's second cohort and launching the third cohort.
- Establishing Orange FabLab, in partnership with Luminus Shamal Start with GIZ support under the Orange Digital Center Project, at the Orange Digital Village and the graduation of the Fab Lab's first and second cohorts.
- The graduation of the Mobile FabLab students, in partnership with Luminus, in Mafraq, Jerash, and Ajloun, and launching the training in Zarqa.
- Providing free online training specialized in coding for 40 children through Coding Academy by Orange, on the International Day of Young Inventors, in partnership with Hello World Kids.

Business and Enterprise Unit

Orange Jordan provides its business and enterprise sector customers with the most advanced, integrated digital services in the Kingdom. The company has earned their confidence as a real enabler for their various operations, which contributed to developing relations in various sectors through extended strategic partnerships, for example:

- Signing an agreement with the Bank ABC in Jordan to provide the bank with mobile lines and 4G internet, to be offered as a gift to the bank's customers in its housing loan campaign.
- Signing two cooperation agreements with Aqaba Special Economic Authority, under which Orange will supply and operate the authority's internet network.
- Abdali Hospital adopting the Virtual Desktop Infrastructure (VDI) business solutions from Orange Jordan and PROTECH Company, to enhance operational efficiency and patient care.
- Signing an agreement with Al-Hussein Technical University, whereby Orange Jordan, in cooperation with Fortinet, will provide the university with a set of solutions and devices that guarantee the highest levels of data and cyber security.
- Signing a partnership agreement with Greater Madaba Municipality, under which Orange will establish and extend its home and business fiber networks and provide the governorate's regions with fast, reliable, and high-quality internet services.
- Renewing the landlines agreement with the Jordanian Armed Forces- Arab Army.
- Signing a strategic agreement with Centro Hotel to provide it with integrated ICT services.
- Signing an agreement with Irbid Electricity Company, whereby Orange Jordan will provide smart electricity meters that will be linked to Irbid Electricity Center, to cover areas in Irbid, Jerash, Ajloun and Mafraq.

Consumer Unit

Orange Jordan launched many campaigns in the year 2021, to offer the best experience for users in line with its leading position, including:

Mobile, Devices, and Accessories

- Launching campaigns with special discounts and offers and expanding the company's range of mobile devices, tablets and accessories, in addition to enriching mobile offerings for Youth through YO platform and also for the army and public defense.

Internet

- Launching new internet offers to continue providing high-speed and efficient internet across the Kingdom, including the back-to-school campaigns, and enhancing internet user experiences through partnership, including launching the first challenge at the Orange Gaming Hub with our partner, FATE Esports.

Network Enhancement and Customer Service

- Enhancing Orange internet networks with the advanced 4G+ technology in Mafraq governorate, and enhancing mobile networks in Amman and Ajloun, as well as significantly improving internet and connectivity for online games with our partner, Subspace. The company also opened its first smart shop in Irbid governorate. The company received Customer Operations Performance Centre (COPC) certificates, the highest global recognition for customer service, for the second consecutive year.

Smart Life Solutions

- Launching smart solutions, such as the external wireless camera, smart doorbell, and smart bulb, to give users peace of mind and the ability to check in on their families.

Internal Environment and Team

Orange Jordan considers its employees the foundation of its success, the company is constantly working on developing their practical and academic capabilities and enhancing the work environment, through:

- Obtaining the Top Employer Certificate for the sixth consecutive year, awarded by the Top Employer Institute.
- Continuous development of its human resources by providing the latest resources and advanced training tools to become the next leaders of the digital era.
- In support of women and their roles in the economy, Orange Jordan signed the Women's Empowerment Principles (WEPs), an initiative by the UN Global Compact and UN Women offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace, and community.
- Facilitating employees' access to the COVID vaccine at the training center in Na'our, in coordination with the Ministry of Health and the National Center for Security and Crisis Management, and under the supervision of the company's medical staff. The vaccine was also accessible to business partners and employees' families.

Confirmation

1. The Board of Directors confirms that there are no substantial matters which may affect the continuation of the company in the next fiscal year.

2. The Board of Directors confirms its responsibility for the preparation of the financial statements and the provision of an effective control system in the company.

Chairman of the Board	Vice Chairman	Member of the Board
H.E. Dr. Shabib Ammari	Mrs. Mireille El Helou	Mr. Jérôme Hénique

Member of the Board	Member of the Board	Member of the Board
Mr. Bisher Jardaneh	Mr. Hisham Khraisat	Mr. Abdallah Abu Jamous

Member of the Board
Mrs. Dorothée Vignalou

3. We, the undersigned below, confirm the accuracy and completion of the information and statements set out in the report.

Chairman of the Board	Chief Executive Officer	Deputy Chief Executive Officer Chief Financial Officer
H.E. Dr. Shabib Ammari	Mr. Thierry Marigny	Mr. Raslan Deiranieh

Governance Report

Digital Education
We offer beneficiaries of our free programs, especially youth, the opportunity to acquire digital skills necessary to enter the labor market. These programs focus on practical and interactive training to enhance employment opportunities, including free courses available at Coding Academy by Orange and the FabLab.

Governance Report

We are pleased to present to you the Corporate Governance Report for 2021, which summarizes the information and details regarding the implementation of the Corporate Governance Rules and Regulations in accordance with the provisions of Article (17) of the Listed Corporate Shareholding Companies' Regulations of 2017, issued by the Jordan Securities Commission.

Members of the Board of Directors:

No.	Board of Directors	Status	Position	Names of public shareholding companies to which the board member is serving as a board member therein
1	Joint Investment Telecommunications Co. represented by:	Legal entity		
	H.E. Dr. Shabib Ammari (Attended all meetings).		Chairman of the Board of Directors	
	Mr. Taieb Belkahia (Attended all meetings until being replaced in his capacity as a member on 19/4/2021 by Mr. Anis Hamdani).		Vice-Chairman	
	Mrs. Mireille El Helou (Since her appointment on 17/10/2021 has attended all meetings).		Vice-Chairman	
	Mr. Jérôme Hénique (Attended Three meetings and was absent from the second, fourth, and sixth meetings).		Member of the Board of Directors	
	Mrs. Dorothée Vignalou (Attended all meetings).		Member of the Board of Directors	
	Mr. Anis Hamdani (Since his appointment on 19/4/2021, he attended all meetings until replaced on 17/10/2021 by Mrs. Mireille El Helou).		Member of the Board of Directors	
2	Social Security Corporation Represented by:	Legal entity		
	Mr. Bisher Jardaneh (Attended all meetings).		Member of the Board of Directors	Invest Bank
	Mr. Abdallah Abu Jamous (Attended all meetings).		Member of the Board of Directors	
3	Government of the Hashemite Kingdom of Jordan/ Jordanian Armed Forces represented by	Legal entity		
	Brigadier General Dr. Engineer Hisham Khraisat (Attended all meetings).		Member of the Board of Directors	

All the board members are non-executive
Number of Board meetings during 2021 (6).

Members of the Executive Committee:

Executive Committee	
Mr. Thierry Marigny	Chief Executive Officer of Orange Jordan
Mr. Raslan Deiranieh	Deputy Chief Executive Officer/Chief Financial and Strategy Officer
Mr. Sami Smeirat	Chief Enterprise Officer
Mr. Waleed Al Doulat	Chief Wholesale Officer/Chief Information Technology and Networks Officer
Dr. Ibrahim Harb	Chief Legal, Regulatory, Sourcing and Supply Chain Officer/ Chief Human Resources Officer
Mrs. Naila Al Dawoud	Chief Consumer Market Officer
Mr. Samer Al Haj	Chief Consumer Sales Officer
Mr. Jallale Bassou	Deputy Chief Information Technology and Networks Officer
Mr. Wilfried Yver	Chief Digital, Data, Innovation & Money Officer
Mrs. Rana Al Dababneh	Deputy Chief PR, CSR, and Corporate Communication Officer (Effective 7/2021)

Corporate Governance Liaising Officer	Mr. Emad Saadat Jalal Al-Kayyali

Committees emanating from the Board of Directors:
Audit Committee
Remuneration and Nomination Committee
Corporate Governance Committee
Risk Management Committee

Members of the Audit Committee:

Members of the Audit Committee	Brief description of the qualifications and experiences related to financial and accounting matters	Number of meetings attended
Mr. Taieb Belkahia (Chairman)	Mr. Taieb Belkahia currently is the EVP of MENA and the General Secretary of Legal Affairs, Regulation & Synergy, PMO, and Operational Synergies at Orange Morocco since May 2005 till now. He held the position of Director of Legal Affairs from Nov. 2001 to May 2005 at MEDI TELECOM (Orange Morocco). Prior to that Mr. Belkahia was the Director of the Legal Department from Feb. 1998 to Nov. 2001 at ABN Amro Bank (Morocco). Mr. Taieb earned his Diploma from the Institute of Higher Management Studies HEM Cycle in 1992 and the Diploma from the Toulouse Notary School in 1987. Mr. Taieb Belkahia was replaced by Mr. Anis Hamdani on 19/4/2021.	1
Mrs. Dorothée Vignalou (Chairman)	Mrs. Dorothée Vignalou is currently a member of the Board of Directors of Orange Jordan and the Deputy Chief Financial Officer of Orange Middle East and Africa. Prior to that, she was the Head of Central Controlling of Orange Business Services from Jan. 2014 – March 2018. She was the Head of Controlling Solutions and Referential at Orange Group Finance from Sept. 2003 - Dec. 2013. She previously held the position of a Consultant then Project Manager at France Telecom Finance Division from Sept. 1994 - Aug. 2003. Mrs. Vignalou graduated from Sciences Po Paris with a Master's degree in Economics & Finance Section in 1993.	4
Mr. Abdallah Abu Jamous	Mr. Abdallah Abu Jamous is a member of the Board of Directors of Jordan Telecom Group - Orange since August 2017. Currently, he serves as Director of the Strategic Planning Department at the Social Security Corporation. He previously occupied the Human Resources Director post at the Social Security Corporation, and prior to that, he held the position of the Director of Strategic Planning Department. Mr. Abdallah Abu Jamous holds a master's degree with honor in Management Information Systems from Al Balqa Applied University, and a bachelor's degree in accounting from Yarmouk University. Additionally, he earned several professional certificates, including Certified Project Management Professional Certification (PMP), Certified Risk Management Professional Certification (PMI - RMP) from the American Project Management Institute PMI, Certified Strategic Planner (CSP) from the American Accredited Consultants Institute, and Quality Assessment Certification (EFQM Assessor) from the European Organization for Quality Management. Mr. Abu Jamous was named as the Best Employee in the Hashemite Kingdom of Jordan for the year 2012 (The Best Employee Award issued from the Civil Service Bureau).	4
Mr. Anis Hamdani	With an experience of over 20 years in Telecommunications Management, Anis Hamdani is Chief Programs and Transformation Officer of Orange France in the Great South East Region. His position started on October 1st, 2021, following 8 years as VP Governance and Performance covering the Middle East Region (Egypt, Jordan, Lebanon, and Iraq). Anis joined the Group in 2011, as Strategic Planning Director, before joining the Middle East and North Africa region at Orange in 2013, where he was also in charge, in parallel of the successful acquisition and post-merger integration of Airtel Burkina Faso and Sierra Leone. During his position as VP Governance and Performance, Anis sat at the board of Directors of Mobinil for Telecommunication (now Orange Egypt), Orange Data, Orange Jordan and Sodetel companies and managed several multicultural transversal teams in various projects, including 4G launch, rebranding and transformation or Orange Egypt. Previously, he held several managerial positions within Etisalat Group based in the UAE in Strategic Marketing/business development, and had an extensive Strategy and Operational consultant career as a Senior Associate in Olivier Wyman in Dubai and Cap Gemini Consulting in Paris and Boston, working exclusively for Telecommunications Operators across the globe on various projects covering strategy, transformation, products launch, organization restructuring, business planning or new mobile operators launch project management. Anis has a master's degree in International Business from Sciences Po Paris and holds a double master's degree in Management (with Finance specialization) and Telecommunications (with an IT specialization) from the Institut National des Telecommunication / Paris 9 – Dauphine University. Mr. Anis Hamdani was replaced by Mrs. Mireille El Helou on 17/10/2021.	2
Mrs. Mireille El Helou	Mrs. Mireille El Helou has a globe-spanning history of working in the ICT industry. She has worked in different positions during her 20 years at the Orange Group, including Director of Sourcing and Supply Chain Transformation between 2007 and 2010, Director of Orange Middle East and Africa Sourcing & Supply Chain between 2010 and 2013 and Chief Business Market Officer and acting CEO of Orange Telkom Kenya between 2013 and 2016. From 2016 to 2019, she was the General Manager of Orange Réunion Mayotte. She led the telco operations with a team of nearly 1,000 employees, launching the best 4G network, achieving the high-speed FTTH network leadership and spearheading the digital transformation. More recently, she was the CEO of Orange Silicon Valley, leading a multi-disciplinary team who leverage a unique understanding of the local US innovation ecosystem and market to inform the strategy and business of the Orange Group. Prior to joining Orange, Mireille worked in sales and marketing for more than nine years. She holds a Mechanical Engineering degree from the American University of Beirut. Mireille was appointed Senior Vice President MENA and Safety at Orange Middle East and Africa on September 1, 2021.	1

Number of meetings of the Audit Committee during 2021: (4).

Number of meetings of the Audit Committee during 2021 with External Auditors: (4).

Members of the Remuneration and Nomination Committee:

Members of the Remuneration and Nomination Committee
Mr. Bisher Jardaneh: Attended all meetings.
Br. Gen. Dr. Engineer Hisham Khraisat: Attended all meetings.
Mr. Taieb Belkahia: Attended all meetings during his membership in the Committee.
Mr. Anis Hamdani: Attended all meetings during his membership in the Committee.
Mrs. Mireille El Helou: Appointed on 28/10/2021

Number of meetings of the Remuneration and Nomination Committee during 2021: (2).

Members of the Corporate Governance Committee:

Members of the Corporate Governance Committee
Mr. Taieb Belkahia: Attended all meetings during his membership in the Committee.
Mr. Anis Hamdani.: Attended all meetings during his membership in the Committee.
Mr. Bisher Jardaneh: Attended all meetings.
Br. Gen. Dr. Engineer Hisham Khraisat: Attended all meetings.
Mrs. Mireille El Helou: Appointed on 28/10/2021

Number of meetings of the Corporate Governance Committee during 2021: (2).

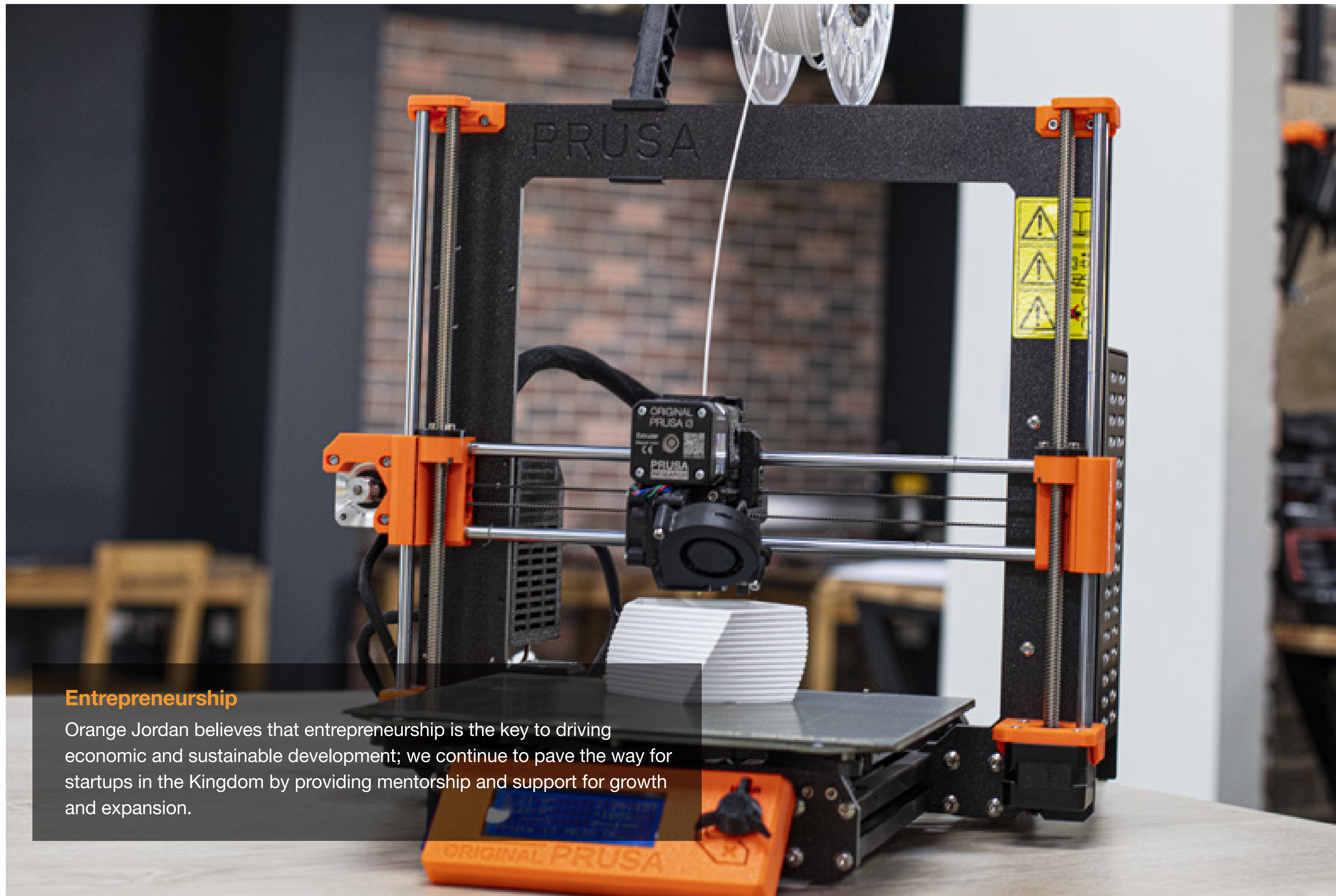
Members of the Risks Management Committee:

Members of the Risks Management Committee
Mr. Abdallah Abu Jamous: Attended all meetings.
Mr. Taieb Belkahia: Attended all meetings during his membership in the Committee.
Mrs. Dorothée Vignalou: Attended all meetings.
Mr. Anis Hamdani: Attended all meetings during his membership in the Committee.
Mrs. Mireille El Helou: Appointed on 28/10/2021

Number of meetings of the Risks Management Committee during 2021: (2).

Chairman of the Board
H.E.Dr. Shabib Ammari

Consolidated Financial Statements



Entrepreneurship
Orange Jordan believes that entrepreneurship is the key to driving economic and sustainable development; we continue to pave the way for startups in the Kingdom by providing mentorship and support for growth and expansion.

JORDAN TELECOMMUNICATIONS COMPANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31,2021

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INDEPENDENT AUDITOR'S REPORT

AM/ 20268-002-003

To the Shareholders
Jordan Telecommunications Company
Amman - The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Telecommunications Company (the "Company"), and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

Key Audit Matters

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

Deloitte.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition and related IT systems The Group reported revenue of JD 333 million for the year 2021 (2020: JD 317 million) from telecommunication and related activities. We focused on this area of the audit as there is an inherent risk related to the accuracy and completeness of revenue recognised given the complexity of the systems and changing mix of business products and services. Due to the estimates made, complexities involved and judgments applied in the revenue process and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter. The Group's accounting policies relating to revenue recognition are presented in note 3 and details about the Group's revenue are disclosed in notes 5 and 23 to the consolidated financial statements.	Our audit approach included a combination of test of controls and substantive procedures which included, inter alia, the following: • Obtaining an understanding of the significant revenue processes including performance of an end to end walkthrough of the revenue process and identifying the relevant controls (including IT systems, interfaces and reports related to billing and revenue process); • Evaluating the design and testing the implementation and operating effectiveness of the relevant controls; • involving our IT specialist to test IT general controls, covering pervasive IT risks around access security, change management and network operations; • performing data analysis and substantive analytical procedures of significant revenue streams; • performing specific procedures to test the accuracy and completeness of adjustments relating to multiple element arrangements which have the effect of grossing up certain revenue and costs; • performing procedures to determine if the revenue recognition criteria adopted for all major revenue streams is appropriate and in accordance with IFRSs; and • assessing the disclosures in the financial statements relating to revenue against the requirements of IFRSs.

Deloitte.

Key audit matters	How our audit addressed the key audit matters
Capitalisation and Useful economic life of property and equipment and intangible assets The Group has property, and equipment and intangible assets with a carrying amount of JD 442 Million (2020: JD 452 Million) with total additions of JD 67 Million during 2021 (2020: JD 61 Million). The useful life of the property and equipment and intangible assets is based on management's technical assessment of factors, which requires judgement to be applied, and accordingly contains significant estimation uncertainty. The useful life of PPE and intangible assets has a direct impact on the amount of depreciation/amortisation charged to profit or loss. Consequently, we considered this to be a key audit matter. In making its assessment of the asset's useful life, management has assessed the useful life of the PPE and intangible assets considering various factors such as utilisation period, maintenance programs and normal wear and tear. The accounting policy for property and equipment and intangible assets is set out in note 3 and the related disclosures are set out in note 6 and note 7 to the consolidated financial statements.	In responding to the risks in these matters. Our audit procedures included the following: • Understanding the business processes for determining the useful life of property and equipment and intangible asset and the recording of additions and disposals. • Evaluating the design and implementation of controls around the estimation of useful life of the property and equipment and intangible assets including the controls over the additions and disposals process; • We have evaluated the appropriateness of capitalization policies. In performing these procedures, we take into consideration business and practice in telecoms industry in addition to the Group policies and procedures. • We tested the material additions during the year through assessing the nature of costs incurred and testing the amounts recorded and assessing whether the description of the expenditure met capitalization criteria. • We assessed the overall presentation, structure and content of the related disclosures of property and equipment and intangible assets against the requirements of IFRSs

Other Matters

1. The consolidated financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2021
2. The accompanying consolidated financial statements are a translation of the original consolidated financial statements which are in Arabic language, to which reference should be made.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

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 IFRSs, 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 skepticism 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.

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- 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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

The Group maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Amman – Jordan
March 29, 2022

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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JORDAN TELECOMMUNICATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of December 31,	
		2021	2020
		JD	JD
ASSETS			
Non-Current Assets			
Property and equipment	6	261,089,827	248,960,529
Intangible assets	7	181,168,572	203,324,050
Right-of-use assets	8.a	35,743,046	44,061,037
Renewable energy assets	9	36,344,076	38,456,419
Long term trade receivables		-	427,521
Deferred tax assets	10.c	3,617,663	3,331,055
Contract assets	23.b	682,732	778,775
Total Non-Current Assets		**518,645,916**	**539,339,386**
Current Assets			
Inventories	11	10,159,951	6,533,060
Trade receivables and other current assets	12	109,429,998	95,209,843
Balances due from telecom operators	13	2,446,234	2,258,520
Contract assets	23.b	2,448,638	2,333,682
Cash and short-term deposits	14	57,327,137	44,730,808
Total Current Assets		**181,811,958**	**151,065,913**
TOTAL ASSETS		**700,457,874**	**690,405,299**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Paid in capital	15	187,500,000	187,500,000
Statutory reserve	16	62,500,000	62,500,000
Retained earnings	17	31,358,069	23,983,778
Total Shareholders' Equity		**281,358,069**	**273,983,778**
Liabilities			
Non-Current Liabilities			
Telecommunications license payable	18	47,940,704	46,164,811
Interest-bearing loans	19	27,696,332	41,312,631
Lease liabilities	8.b	32,895,496	35,305,297
Renewable energy liability	9	34,071,756	36,699,915
Contract liabilities	23.c	19,098	224,737
Employees' end of service benefits	20	458,966	482,008
Total Non-Current Liabilities		**143,082,352**	**160,189,399**
Current Liabilities			
Orange Money - units in circulation	21	8,936,368	3,441,683
Trade payables and other current liabilities	22	158,570,223	148,792,989
Balances due to telecom operators	13	18,445,529	24,740,731
Income tax payable	10.b	12,548,210	9,789,625
Current portion of interest-bearing loans	19	13,493,719	13,482,377
Due to banks	14	43,112,473	38,717,495
Lease liabilities	8.b	5,749,642	6,511,761
Renewable energy liability	9	4,498,282	3,098,575
Contract liabilities	23.c	10,575,894	7,615,373
Employees' end of service benefits	20	87,113	41,513
Total Current Liabilities		**276,017,453**	**256,232,122**
TOTAL LIABILITIES		**419,099,805**	**416,421,521**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**700,457,874**	**690,405,299**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

JORDAN TELECOMMUNICATIONS COMPANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Notes	For the year ended December 31,	
		2021	2020
		JD	JD
Net revenues	5&23.a	333,464,646	317,066,340
Direct operating cost		(119,004,870)	(123,838,944)
Gross margin		**214,459,776**	**193,227,396**
Administrative expenses		(26,725,640)	(27,891,896)
Selling and distribution expenses		(41,696,124)	(37,046,091)
Government revenue share	24	(4,592,106)	(4,116,342)
Business support fees and brand fees	25	(7,811,925)	(7,460,437)
Expected credit losses	12&13	(994,755)	(1,565,136)
Depreciation of property and equipment	6	(53,083,268)	(51,536,013)
Amortization of intangible assets	7	(24,134,582)	(23,822,496)
Depreciation of right-of-use assets	8.a	(6,544,041)	(4,607,530)
Depreciation of renewable energy assets	9	(2,112,343)	(2,112,343)
Operating profit		**46,764,992**	**33,069,112**
Net foreign currency exchange differences		186,768	(614,290)
Leases interest expense	8.b	(2,443,427)	(2,452,937)
Finance cost of renewable energy assets	9	(3,007,594)	(2,609,701)
Finance costs of Bank's loans		(4,897,836)	(5,503,633)
Finance cost of telecommunications licenses	18	(1,775,893)	(1,775,893)
Finance income		1,431,922	956,465
Gain on disposal of property and equipment		1,955,374	4,277,154
Profit before Income Tax		**38,214,306**	**25,346,277**
Income tax expense	10.a	(12,090,015)	(7,844,156)
Profit for the year		**26,124,291**	**17,502,121**
Add: Other comprehensive income		-	-
Total comprehensive income for the year		**26,124,291**	**17,502,121**
Earnings per share		**JD/Fils**	**JD/Fils**
Basic and diluted earnings per share attributable to equity holders of the parent	26	**0.139**	**0.093**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

JORDAN TELECOMMUNICATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital JD	Statutory Reserve JD	Retained Earnings JD	Total JD
For the Year Ended December 31, 2021					
Balance at January 1, 2021		187,500,000	62,500,000	23,983,778	273,983,778
Total comprehensive income		-	-	26,124,291	26,124,291
Dividends	17	-	-	(18,750,000)	(18,750,000)
Balance at December 31, 2021		**187,500,000**	**62,500,000**	**31,358,069**	**281,358,069**
For the Year Ended December 31, 2020					
Balance at January 1, 2020		187,500,000	62,500,000	21,481,657	271,481,657
Total comprehensive income		-	-	17,502,121	17,502,121
Dividends	17	-	-	(15,000,000)	(15,000,000)
Balance at December 31, 2020		**187,500,000**	**62,500,000**	**23,983,778**	**273,983,778**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

JORDAN TELECOMMUNICATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the year ended December 31,	
		2021 JD	2020 JD
Cash Flows from Operating Activities			
Profit before income tax		38,214,306	25,346,277
Adjustments for:			
Finance costs on Bank's loans		4,897,836	5,503,633
Finance cost of telecommunications licenses	18	1,775,893	1,775,893
Finance income		(1,431,922)	(956,465)
Leases interest expense	8.b	2,443,427	2,452,937
Finance cost of renewable energy assets	9	3,007,594	2,609,701
Provision for expected credit losses	12&13	994,755	1,565,136
Provision for slow-moving inventories	11	100,000	100,000
Depreciation of property and equipment	6	53,083,268	51,536,013
Amortization of intangible assets	7	24,134,582	23,822,496
Depreciation of right-of-use assets	8.a	6,544,041	4,607,530
Depreciation of renewable energy assets	9	2,112,343	2,112,343
Employees' end of service benefits	20	81,157	70,259
Gain from sale of properties and equipment		(1,955,374)	(4,277,154)
Cash Flows from Operations before Changes in Working Capital		**134,001,906**	**116,268,599**
Decrease (increase) in assets:			
Contract assets		(18,913)	(310,620)
Inventories		(12,244,856)	(6,199,570)
Trade receivables and other current assets		(14,878,560)	(6,279,851)
Balances due from telecom operators		(187,714)	3,255,061
(Decrease) increase in liabilities:			
Trade payables and other current liabilities		13,366,947	(6,472,420)
Balances due to telecom operators		(6,295,202)	(1,292,962)
Contract liabilities		2,754,882	468,515
Employees' end of service paid	20	(58,599)	(66,585)
Cash Flows from Operating Activities before Income Tax Paid		**116,439,891**	**99,370,167**
Income tax paid	10.b	(8,471,133)	(6,168,710)
Net Cash Flows from Operating Activities		**107,968,758**	**93,201,457**
Cash Flows from Investing Activities			
(Purchase) of properties and equipment	6	(57,019,786)	(49,796,743)
(Purchase) of intangible assets	7	(1,979,104)	(4,470,545)
Proceeds from disposal of property and equipment		2,280,559	4,730,445
Finance income received		1,236,485	884,177
Net Cash Flows (used in) Investing Activities		**(55,481,846)**	**(48,652,666)**
Cash Flows from Financing Activities			
Repayment of interest-bearing loans		(13,467,724)	(8,914,927)
Payments on capital reduction		(62,525)	(10,712)
Finance costs paid		(4,897,836)	(5,503,633)
Payments of renewable energy liability	9	(4,236,046)	(4,096,387)
Dividends paid		(19,003,133)	(14,794,418)
Payments of lease liabilities	8.b	(7,975,749)	(7,724,914)
Net Cash Flows (used in) Financing Activities		**(49,643,013)**	**(41,044,991)**
Net Increase in cash and cash equivalent		2,843,899	3,503,800
Net foreign currency exchange difference		64,254	198,814
Cash and cash equivalents at beginning of year		939,393	(2,763,221)
Cash and Cash Equivalents at End of Year	14	**3,847,546**	**939,393**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

1. General Information

Jordan Telecommunications Company (the "Company") was established as a Public Shareholding Company on October 8, 1996, and adopted the Orange brand in 2007. The Company's authorized and paid in capital amounted to JD 187,500,000 divided into 187,500,000 shares. The consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the "Group").

The principal activities of the Group comprise introduction of a variety of telecommunication, internet, data and mobile payment services. These services include among other services fixed line services, prepaid, and postpaid mobile services, ADSL, fiber optics internet services, mobile payment services and establishing non-profitable academic centers and initiatives.

The Company is 51% owned by The Joint Investments Telecommunications Company (JIT CO.) a fully owned subsidiary of Orange Group (France). Moreover, Jordanian Social Security Corporation and Noor Financial Investment own 28.88% and 9.3% of the Company's issued shares, respectively.

The Group's head offices are located in Abdali, the Boulevard, Amman - Jordan.

The consolidated financial statements were authorized for issue by the Board of Directors on February 1, 2022.

2. Basis of Preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The consolidated financial statements are presented in Jordanian Dinars which represents the functional currency of the Group.

Going concern

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have 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. Significant Accounting Policies

The same accounting policies, presentation and methods of computation have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2020, except for the effect of what is stated in Note (3.1.a).

3.1 Adoption of new and revised Standards

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the previous year except for the following new and amended IASB Standards during the year.

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk-free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

There was no material impact on the amounts reported for the current year for both the Phase 1 and Phase 2 amendments as the group does not have material financial instruments linked to IBOR.

COVID-19-Related Rent Concessions beyond June 30, 2021 - Amendment to IFRS 16

In the prior year, the Group early adopted COVID-19-Related Rent Concessions (Amendment to IFRS 16) that provided 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. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021.

In March 2021, the Board issued COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

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 applying IFRS 16 as if the change were not a lease modification

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:
- 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
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- There is no substantive change to other terms and conditions of the lease

Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements as the Group did not have any leases impacted by the amendment.

b. Standards issued but not effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.	The effective date is yet to be set. Earlier application is permitted.
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

New and revised IFRSs	Effective date
Amendments to IFRS 3 – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references.
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	January 1, 2022, with early application permitted.
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	January 1, 2022, with early application permitted.

<table>
<tr><th>New and revised IFRSs</th><th>Effective date</th></tr>
<tr><td>IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).</td><td>January 1, 2022, with early application permitted.</td></tr>
<tr><td>IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.</td><td>The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.</td></tr>
<tr><td>IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.</td><td>As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.</td></tr>
<tr><td>IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.</td><td>January 1, 2022, with early application permitted.</td></tr>
<tr><td>Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies
The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.</td><td>January 1, 2023, with earlier application permitted and are applied prospectively.

The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.</td></tr>
</table>

<table>
<tr><th>New and revised IFRSs</th><th>Effective date</th></tr>
<tr><td>Amendments to IAS 8 - Definition of Accounting Estimates
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:
A change in accounting estimate that results from new information or new developments is not the correction of an error
The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors
The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.</td><td>January 1, 2023, with earlier application permitted</td></tr>
<tr><td>Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:
A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
Right-of-use assets and lease liabilities
Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.</td><td>January 1, 2023, with earlier application permitted</td></tr>
</table>

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

3.2 Summary of Significant Accounting Polices

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to December 31, each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its 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 considers that 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 other contractual arrangements
- 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, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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 the subsidiaries is attributed 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.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/ permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The subsidiaries of the Group, included in the consolidated financial statements of Jordan Telecommunications Company which are all incorporated in Jordan are as follows:

Name of subsidiary	Principal activity	Capital JD	Shareholding percentage %
Petra Jordanian Mobile Telecommunications	GSM Operator	70,000,000	100%
Jordan Data Communications	Internet service provider (ISP)	750,000	100%
Dimension Company for Digital Development of Data	Development of Renewable Energy Projects	220,000	100%*
Petra Mobile Payment Services Company	Electronic Payment Services through Mobile Phone	2,000,000	100%**
Future Pioneers for Development and Initiatives	Orange Foundation	15,000	100%**

* Jordan Telecommunications owned 51% from Dimension Company for Digital Development of Data and the remaining 49% is owned by Petra Jordanian Mobile Telecommunications Company (wholly owned subsidiary).

** Wholly owned subsidiaries of Petra Jordanian Mobile Telecommunications

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.

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 measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
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.

Amortised cost and effective interest rate method

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.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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.

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 (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in consolidated statement of profit or loss.

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 investments revaluation reserve. The cumulative gain or loss will not be reclassified to 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 profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

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.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

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 profit or loss.

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.
- 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. 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 as part of the fair value gain or loss.
- 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 on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade 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 always recognises lifetime ECL for trade 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.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
- The financial instrument has a low risk of default,
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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.

Definition of default
The Group considers a financial asset to be in default when the customer is unlikely to pay its credit obligations to the Group in full, there is sufficient doubt about the ultimate collectability; or the customer is past due for more than 90 days.

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:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a 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 described above. 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.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in 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 investments revaluation reserve is reclassified to 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 investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

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.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) 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 and points 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)
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at 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 profit or loss 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 and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

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 profit or loss.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and reported on a net basis in the accompanying consolidated statement of financial position when a legally enforceable right to set off such amounts exists and when the Group intends to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Dividend

Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend are approved by the shareholders. Dividend for the year that are approved after the reporting date of the consolidated financial statements are considered as an event after the reporting date.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Property and equipment

Recognition and measurement

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Capital work-in-progress is transferred to the related property 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.

Expenditure

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

Depreciation

Depreciation is recognised so as to write off the cost (other than freehold land and properties under construction) over their useful lives, using the straight-line method (generally with no residual value deducted), on the following bases:

	Years
Buildings	25
Telecommunications equipment	5-20
Other assets	2-7

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which as follows:

	Years
FLAG access rights	20
Mobile operating licenses and frequency rights	15
Other intangibles	4-25

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The Group has no intangibles with indefinite useful lives.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

The Group as lessee

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Impairment of property and equipment, right-of-use of assets and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property and equipment, right-of-use of assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

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

Inventories

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

Cost comprises direct materials and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Employees' end of service benefits

The Group provides end of service benefits for its employees who have chosen the option to accumulate the end of service benefits starting from January 1, 2012. 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 in accordance with the Group's internal policies. A provision is made for the full amount of end of service benefit for the period of service up to the end of the year. The provision is disclosed as both current and non-current liability.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past
event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Revenue recognition

Most of the Group's revenue falls within the application scope of IFRS 15 "Revenue from contracts with customers". The Group's products and services are offered to customers under service contracts only and contracts combining the equipment used to access services and/or other service offerings. Revenue is recognized net of taxes collected on behalf of government.

Revenues from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the considerations to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements.

Standalone service offerings (mobile service only, fixed service only, convergent service)

The Group proposes to individual consumers and corporate/enterprise customers a range of fixed and mobile telephone services, fixed, mobile and ADSL internet access services and content offerings (Media, added-value audio service, etc.). Certain contracts are for a fixed term (ranges between 12 to 36 months), while others may be terminated at short notice (i.e. monthly arrangements or portions of services).

Service revenue is recognized when the service is rendered, based on use (e.g. minutes of traffic) or the period (e.g. monthly service costs).

Under certain content offerings, the Group may act solely as an agent enabling the supply by a third-party of goods or services to the customer and not as a principal in the supply of the content. In such cases, revenue is recognized net of amounts transferred to the third-party.

Contracts with customers generally do not include a material right, as the price invoiced for contracts and the services purchased and consumed by the customer beyond the firm scope (e.g. additional consumption, options, etc.) generally reflect their standalone selling prices. The Group has no significant impact related to contract modification for this type of contract. Service obligations transferred to the customer at the same pace are treated as a single obligation.

When contracts include contractual clauses covering commercial discounts (initial discount on signature of the contract or conditional on attaining a consumption threshold) or free offers (e.g. 3 free months), the Groups defers these discounts or free offers over the enforceable contract term (period during which the Group and the customer have a firm commitment). Where applicable, the consideration payable to the customer is recognized as a deduction from revenue in accordance with the specific terms and conditions of each contract.

If the performance obligations are not classified as distinct, the offering revenue is recognized on a straight-line over the contract term. The initial service connection in the context of a service contract and communication offering, is a good example. It is not generally separable from the service contract and communication offering and is therefore recognized in income over the average term of the expected contractual relationship.

Separate equipment sales

The Group proposes to individual consumers and corporate/enterprise customers several ways to buy their equipment (primarily mobile phones): equipment sales may be separate from or bundled with a service offering. When separate from a service offering, the amount invoiced is recognized in revenue on delivery and receivable immediately. Where payment is received in instalments, the offering comprises a financial component and interest is calculated and deducted from the amount invoiced and recognized over the payment period in finance income.

Bundled equipment and service offerings

The Group proposes numerous offerings to its individual consumers and corporate/enterprise customers comprising equipment (e.g. a mobile terminal) and services (e.g. a communications contract).

Equipment revenue is recognized separately if the two components are distinct (i.e. if the customer can receive the services separately). Where one of the components in the offering is not at its separate selling price, revenue is allocated to each component in proportion to their individual selling prices. This is notably the case in offerings combining the sale of a mobile phone at a reduced price, where the individual selling price of the mobile phone is considered equal to its selling price on the sale date based on market practice.

Services including a build and run phase

Certain corporate/enterprise customers contracts include two phases: a build phase followed by the management of the IT platforms.

Revenue recognition requires an analysis of the facts and circumstances of each contract in order to determine whether distinct performance obligations exist. Depending on the contract, the Group recognizes build phase revenue at completion if this phase is qualified as distinct. On each contract modification, the Group assess the scope modification or its impact on the contract price in order to determine whether the amendment must be treated as a distinct contract, as if the existing contract were terminated and a new contract signed, or whether the amendment must be considered as a change to the existing contract.

Service offerings to carriers (wholesale)

Three types of commercial agreement are entered into with wholesale customers (e.g. other telecommunication operators) for domestic wholesale activities and International carrier offerings:

Pay-as-you-go model: contract generally applied to "legacy" regulated activities (bitstream call termination, access to the local loop, roaming and certain data solution contracts), where contract services are not covered by a firm volume commitment. Revenue is recognized as the services are rendered (which corresponds to transfer of control) over the contractual term;

Send-or-pay model: contract where the price, volume and term are defined. The customer has a commitment to pay the amount indicated in the contract irrespective of actual traffic consumed over the commitment period. This contract category notably includes certain MVNO, IDD and hubbing contracts. Revenue is recognized progressively based on actual traffic during the period, to reflect transfer of control to the customer.

Agreements between major transit carriers are not billed (free peering) and therefore not recognized in revenue.

Service level commitment clause

The Group's commercial arrangements incorporate service level commitments (delivery time, service reinstatement time).

These service level agreements cover commitments provided by the Group under the order, delivery, and after sales services process. If the Group fails to comply with one of these commitments, then it pays compensation to the end-customer, which is usually a tariff reduction deducted from revenues. The expected amount of such penalties is deducted from revenue as soon as it is probable that the commitment has not been or will not be met.

Value added services - Principal vs. agent

Revenue from value added services (VAS) sharing arrangements depend on the analysis of the facts and circumstances surrounding these transactions. Revenue from VAS is recognized when the Group performs the related service and, depending on the Group's control or lack of control on the services transferred to the customer, is recognized either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service.

Significant financing component

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

Customer loyalty programs

The Group operates a customer loyalty program that provides a variety of benefits for customers. The Group allocates the consideration received between products and services in a bundle including loyalty points as separate performance obligation based on their stand-alone selling prices.

Fair value measurement

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. 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 by 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.

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.

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 financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.

For unquoted financial instruments, fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes.

For financial instruments carried at amortized cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and restricted cash. If original maturity of deposits exceeds three months, they are classified as short-term investments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and restricted cash.

Restricted cash from Grants are held only for the purposes they are kept for, and are only released according to the terms of the agreements.

Restricted donations from Grants

A grant is recognized when there is reasonable assurance that the grant will be received and the conditions attached to them are complied with.

When the grant relates to an expense item, it is recognized as income over the period necessary to match on a systematic basis to the costs that it is intended to compensate.

Orange Money - units in circulation

Orange Money is a money transfer, payment and financial services solution provided through an electronic money (e-units) account that can be initiated using a valid mobile phone number.

E-units in circulation represent customers' e-unit accounts. The Group deposits a cash amount that equals the e-units in circulation to a restricted bank account which is monitored by the Central Bank of Jordan. E-units in circulation are recognized when customers deposit cash of the same amount at any of the Group's shops or bank account.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non- current assets and liabilities.

Customer contract assets and liabilities

Customer assets and customer liabilities mainly arise from the difference in revenue recognition and customer invoicing. Contract assets mainly concern amounts allocated pursuant to IFRS 15 to consideration for goods and services transferred to a customer, where the unconditional right to collect is subordinate to the transfer of other goods or services under the same contract (or group of contracts). This is the case in a bundled offering combining the sale of an equipment and services for a fixed-period, where the equipment is invoiced at a reduced price leading to the reallocation of a portion of amounts invoiced for services to the supply of the equipment. The excess of the amount allocated to the equipment over the price invoiced is recognized as a contract asset and transferred to trade receivables as the service is invoiced. Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified and notably the risk of loss in value due to contract interruption. Recoverability may also be impacted by a change in the legal environment governing offerings.

Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not yet transferred, such as contracts payable in advance or prepaid packages (previously recorded in deferred revenue).

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in the note above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Identifying performance obligations in a bundled sale of equipment and installation services

The Group provides telecommunications services that are either sold separately or bundled together with the sale of equipment (handsets) to a customer. The Group uses judgement in determining whether equipment and services are capable of being distinct. The fact that the Group regularly sells both equipment and services on a stand-alone basis indicates that the customer can benefit from both products on their own. Consequently, the Group allocated a portion of the transaction price to the equipment and the services based on relative stand-alone selling prices.

Judgements in determining the timing of satisfaction of performance obligations

The Group generally recognise revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receives and consumes the benefits provided by these services and the control transfer takes place over time, revenue is also recognised based on the extent of service transfer/ completion of transfer of each performance obligation. In determining the method for measuring progress for these performance obligations, the Group considered the nature of these services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

In making their judgment, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

Principal versus agent considerations

Revenue from value added services (VAS) sharing arrangements depend on the analysis of the facts and circumstances surrounding these transactions. The determination of whether the Group is acting as an agent or principal in these transactions require significant judgement and depends on the following factors:

- The Group is primarily responsible for fulfilling the promise to provide the service.
- Whether the Group has inventory risk
- Whether the Group has discretion in establishing the price

Consideration of significant financing component in a contract

The Group sells bundled services on a monthly payment scheme over a period of one to three years.

In concluding whether there is a significant financing component in a contract requires significant judgements and is dependent on the length of time between the customers payment and the transfer of equipment to the customer, as well as the prevailing interest rates in the market. The Group has concluded that there is no significant financing component in its contract with customers after such assessment.

In determining the interest to be applied to the amount of consideration, the Group has concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

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 a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. Extension options (or periods after termination options) are only included in the lease term if the lessee is reasonably certain to extend (or not to terminate) the lease. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Internally generated intangible asset development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The carrying amount of capitalised development costs was JD 3,231,060 as of December 31, 2021 (JD 1,329,812 as of December 31, 2020.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may 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.

Provision for expected credit losses

The Group uses a provision matrix to calculate ECLs for trade receivables, due from telecom operators and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

The Group's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the income and sales tax department.

The Group is subject to income taxes in Jordan. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes a liability for anticipated taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Any changes in the estimates and assumptions used as well as the use of different, but equally reasonable estimates and assumptions may have an impact on the carrying values of the deferred tax assets.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

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.

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated.

Useful lives of property and equipment

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

During the year 2021, the Group's management has reviewed the estimated useful lives for specific assets in the telecommunications equipment category taking into consideration the Group's policies, procedures and the telecom industry's best practice. Based on the review, the Group's management decided to adjust the useful lives of these assets in order to be consistent with the expected pattern of economic benefits. This adjustment resulted in increase in depreciation expenses amounting to JD 1,135,127 for the year 2021 and will result a in a decrease in depreciation expense with the same amount in 2022.

Useful lives of intangible assets

The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined based on the expected pattern of consumption of future economic benefits embodied in the asset.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets tested for impairment when such indicators exist.

If there are indication of impairment, the Group tests non-financial assets for impairment to determine their recoverable amounts based on value-in-use calculations or at fair value less costs to sell. The value in use includes estimates on growth rates of future cash flows, number of years used in the cash flow model and the discount rates. The fair value less cost to sell estimate is based on recent/intended market transactions and the related EBITDA multiples used in such transactions.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Impairment of inventories

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

5. Segment information

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services.

The Fixed-line voice segment constructs, develops, maintains fixed telecommunication network services and provides fiber to home services.

The Mobile communications segment installs, operates and manages a cellular network in Jordan.

The Data services segment provides, furnishes, installs, maintains, engineers and operates communication facilities for the provision of data network and internet access services to its customers and helping companies to be more efficient in the way they do their business on internet.

The renewable energy segment provides the Group with its need from electricity through managing the solar farms and renewable energy projects.

The mobile payments segment provides the customers with electronic wallets services which enable them to execute financial payments through their mobile phones.

The non-for-profit segment supports the local socio-economic development through academic initiatives in the areas of sustainable economics, social responsibility, environment, health, culture and science. This segment is not operating up to the date of this consolidated financial statements.

The Group's management monitors the operating results of the operating segment separately for making decisions about performance assessment; segment performance is calculated based on operating profit or loss.

The following tables represent revenues and profit and certain assets and liabilities information of the Group's business segments for the years ended December 31, 2021 and 2020.

Year ended December 31, 2021	Fixed-line Voice JD	Mobile Communications JD	Data Services JD	Renewable Energy JD	Payment Services JD	Non-for-Profit Activities JD	Total JD
Net revenues							
External customers	130,388,533	167,895,828	34,580,665	-	599,620	-	333,464,646
Inter-segment revenues	42,031,147	3,365,424	9,533	8,653,521	438,078	-	54,497,703
	172,419,680	**171,261,252**	**34,590,198**	**8,653,521**	**1,037,698**	**-**	**387,962,349**
Segment Results							
Operating Profit	24,531,308	90,806,115	23,938,318	(3,220,364)	(1,458,299)	(2,478)	**134,594,600**
Depreciation and amortization							(85,874,234)
Finance costs and income, net							(10,692,828)
Net foreign currency exchange differences							186,768
Profit before Income Tax							**38,214,306**
Income tax expense							(12,090,015)
Profit and Comprehensive Income for the Year							**26,124,291**
Assets and Liabilities							
Segment Assets	209,075,557	376,355,828	55,891,421	42,241,997	15,213,304	1,679,767	**700,457,874**
Segment Liabilities	136,294,458	221,874,401	8,462,284	41,132,257	9,795,273	1,541,132	**419,099,805**
Other Segment Information							
Property and equipment	160,426,562	88,487,083	9,058,804	2,157,935	872,186	87,257	**261,089,827**
Intangible assets	15,762,046	163,855,009	1,551,517	-	-	-	**181,168,572**
Renewable energy assets	-	-	-	36,344,076	-	-	**36,344,076**
Right-of-use assets	6,950,503	27,604,081	-	1,188,462	-	-	**35,743,046**

Year ended December 31, 2020	Fixed-line Voice JD	Mobile Communications JD	Data Services JD	Renewable Energy JD	Payment Services JD	Non-for-Profit Activities JD	Total JD
Net revenues							
External customers	121,608,954	161,161,965	34,048,626	-	246,795	-	317,066,340
Inter-segment revenues	47,552,670	3,631,762	386,272	5,719,077	171,534	-	57,461,315
	169,161,624	**164,793,727**	**34,434,898**	**5,719,077**	**418,329**	**-**	**374,527,655**
Segment Results							
Operating Profit	15,388,127	79,731,946	25,378,431	(740,656)	(333,200)	-	**119,424,648**
Depreciation and amortization							(82,078,382)
Finance costs and income, net							(11,385,699)
Net foreign currency exchange differences							(614,290)
Profit before Income Tax							**25,346,277**
Income tax expense							(7,844,156)
Profit and Comprehensive Income for the Year							**17,502,121**
Assets and Liabilities							
Segment Assets	199,486,496	382,866,155	55,974,772	43,449,660	6,995,979	1,632,237	**690,405,299**
Segment Liabilities	135,409,844	226,752,824	6,721,233	42,061,062	3,844,321	1,632,237	**416,421,521**
Other Segment Information							
Property and equipment	146,437849	92,889,922	6,711,619	2,179,468	741,671	-	**248,960,529**
Intangible assets	16,070,963	185,131,694	2,121,393	-	-	-	**203,324,050**
Renewable energy assets	-	-	-	38,456,419	-	-	**38,456,419**
Right-of-use assets	7,409,465	35,399,726	-	1,251,846	-	-	**44,061,037**

6. Property and Equipment

The details of this item are as follows:

For the year 2021	Land and buildings JD	Telecommunications equipment and software JD	Other property and equipment JD	Total JD
Cost				
As of January 1, 2021	87,583,676	1,023,781,399	64,410,913	1,175,775,988
Additions	1,242,886	54,996,016	780,884	57,019,786
Transfers from inventories	-	8,517,965	-	8,517,965
Disposals	(254,247)	(2,351,668)	(497,190)	(3,103,105)
As of December 31, 2021	**88,572,315**	**1,084,943,712**	**64,694,607**	**1,238,210,634**
Accumulated depreciation				
As of January 1, 2021	49,769,540	822,547,369	54,498,550	926,815,459
Depreciation charge for the year*	1,723,738	50,840,978	518,552	53,083,268
Disposals	-	(2,280,731)	(497,189)	(2,777,920)
As of December 31, 2021	**51,493,278**	**871,107,616**	**54,519,913**	**977,120,807**
Net book value As of December 31, 2021	**37,079,037**	**213,836,096**	**10,174,694**	**261,089,827**

For the year 2020	Land and buildings JD	Telecommunications equipment and software JD	Other property and equipment JD	Total JD
Cost				
As of January 1, 2020	85,634,734	971,031,214	63,749,242	1,120,415,190
Additions	2,483,292	46,474,313	839,138	49,796,743
Transfers from inventories	-	6,294,553	-	6,294,553
Disposals	(534,350)	(18,681)	(177,467)	(730,498)
As of December 31, 2020	**87,583,676**	**1,023,781,399**	**64,410,913**	**1,175,775,988**
Accumulated depreciation				
As of January 1, 2020	47,856,624	773,617,417	54,082,612	875,556,653
Depreciation charge for the year	2,014,964	48,948,259	572,790	51,536,013
Disposals	(102,048)	(18,307)	(156,852)	(277,207)
As of December 31, 2020	**49,769,540**	**822,547,369**	**54,498,550**	**926,815,459**
Net book value As of December 31, 2020	**37,814,136**	**201,234,030**	**9,912,363**	**248,960,529**

* During the year 2021, the Group's management has reviewed the estimated useful lives for specific assets in the telecommunications equipment category taking into consideration the Group's policies, procedures and the telecom industry's best practice. Based on the review, the Group's management decided to adjust the useful lives of these assets in order to be consistent with the expected pattern of economic benefits. This adjustment resulted in increase in depreciation expenses amounting to JD 2,227,107 for the year 2021 and will result a in a decrease in depreciation expense with the same amount in 2022.

7. Intangible Assets

The details of this item are as follows:

For the year 2021	FLAG access rights JD	Mobile operating licenses and frequency rights JD	Other intangibles JD	Projects under progress* JD	Total JD
Cost					
As of January 1, 2021	32,203,921	334,743,044	8,802,786	1,329,812	377,079,563
Additions	57,856	-	20,000	1,901,248	1,979,104
As of December 31, 2021	**32,261,777**	**334,743,044**	**8,822,786**	**3,231,060**	**379,058,667**
Accumulated amortization					
As of January 1, 2021	17,208,783	150,674,386	5,872,344	-	173,755,513
Amortization	1,926,030	21,456,126	752,426	-	24,134,582
As of December 31, 2021	**19,134,813**	**172,130,512**	**6,624,770**	**-**	**197,890,095**
Net book value As of December 31, 2021	**13,126,964**	**162,612,532**	**2,198,016**	**3,231,060**	**181,168,572**

For the year 2020	FLAG access rights JD	Mobile operating licenses and frequency rights JD	Other intangibles JD	Projects under progress* JD	Total JD
Cost					
As of January 1, 2020	29,067,613	334,743,044	8,798,361	-	372,609,018
Additions	3,136,308	-	4,425	1,329,812	4,470,545
As of December 31, 2020	**32,203,921**	**334,743,044**	**8,802,786**	**1,329,812**	**377,079,563**
Accumulated amortization					
As of January 1, 2020	15,656,123	129,218,260	5,058,634	-	149,933,017
Amortization	1,552,660	21,456,126	813,710	-	23,822,496
As of December 31, 2020	**17,208,783**	**150,674,386**	**5,872,344**	**-**	**173,755,513**
Net book value As of December 31, 2020	**14,995,138**	**184,068,658**	**2,930,442**	**1,329,812**	**203,324,050**

* Projects under progress represent several software and applications developed internally by the group, the development costs was JD 3,231,060 as of December 31, 2021 (JD 1,329,812 as of December 31, 2020. The management expect to complete the projects during 2022/2023 and the expected cost to complete around JOD 5 million

8. Leases

The Group has lease contracts for various items of shops, buildings, network sites and other items used in its operations. Leases of shops and buildings generally have lease terms between 2 and 15 years, while network sites and others generally have lease terms between 2 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of apartments for expatriate employees with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

a. Right-of-use Assets

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

For the year 2021	Shops and Buildings JD	Network Sites (Fixed and Mobile) JD	Others JD	Total JD
As of January 1, 2021	9,409,224	34,635,305	16,508	44,061,037
Reclass from other provisions	450,759	(2,215,490)	5,789	(1,758,942)
As of January 1, 2021, after reclassification	**9,859,983**	**32,419,815**	**22,297**	**42,302,095**
Additions	669,015	1,794,011	41,148	2,504,174
Termination (disposals)	(80,861)	(2,438,321)	-	(2,519,182)
Depreciation	(1,601,047)	(4,904,769)	(38,225)	(6,544,041)
As of December 31, 2021	**8,847,090**	**26,870,736**	**25,220**	**35,743,046**

For the year 2020	Shops and Buildings JD	Network Sites (Fixed and Mobile) JD	Others JD	Total JD
As of January 1, 2020	10,476,951	30,853,027	53,994	41,383,972
Additions	364,805	6,919,790	-	7,284,595
Depreciation	(1,432,532)	(3,137,512)	(37,486)	(4,607,530)
As of December 31, 2020	**9,409,224**	**34,635,305**	**16,508**	**44,061,037**

b. Lease Liabilities

Lease liabilities related to Right of Use assets are discounted in line with the Group's policy. Liabilities are discounted at rates ranging between 4.4% - 7.56% depending on the liabilities contract term which range between 2-20 years.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 JD	2020 JD
As of January 1,	41,817,058	39,804,440
Reclass from other provisions	2,375,410	-
As of January 1, after reclassification	**44,192,468**	**39,804,440**
Additions	2,504,174	7,284,595
Termination (disposals)	(2,519,182)	-
Interest expense	2,443,427	2,452,937
Payments	(7,975,749)	(7,724,914)
As of December 31,	**38,645,138**	**41,817,058**

The allocation of short and long-term lease liabilities was as follows:

	2021 JD	2020 JD
Current	5,749,642	6,511,761
Non-current	32,895,496	35,305,297
	38,645,138	**41,817,058**

The maturity analysis lease of liabilities was as follows:

	2021 JD	2020 JD
Not later than 1 year	5,749,642	6,511,761
Later than 1 year and not later than 5 years	16,617,310	15,073,850
Later than 5 years	16,278,186	20,231,447
	38,645,138	**41,817,058**

The maturity analysis of undiscounted lease liabilities was as follows:

	2021 JD	2020 JD
Not later than 1 year	7,855,270	8,123,849
Later than 1 year and not later than 5 years	23,122,499	26,262,589
Later than 5 years	18,928,218	23,302,266
	49,905,987	**57,688,704**

Amounts recognized in consolidated statement of profit and loss

	2021 JD	2020 JD
Depreciation expense on right-of-use assets	6,544,041	4,607,530
Interest expense on lease liabilities	2,443,427	2,452,937
Expense relating to short-term leases	482,686	650,016
	9,470,154	**7,710,483**

9. Renewable Energy Asset

During the year 2018, the Group entered through its subsidiary E-Dimension in a Design, Build, Finance and Operate solar photovoltaic power plants agreement to self-generate electricity for the Group's own use from different locations in Jordan. According to the agreement, the Group engaged a private sector entity to plan, design, engineer, procure, turnkey construct, finance, operate, maintain and transfer, the PV power plants after 20 years from the date of operations.

During 2019, the private entity engaged to execute the agreement, completed the construction of the solar photovoltaic power plants and started the operations in all locations. Accordingly, the Group Renewable Energy Asset was capitalized at the present value of the minimum payments amounted to JD 42,246,856, using the incremental borrowing rate of 7.56%. The renewable energy asset is depreciated over the agreement term which is 20 years which represent the useful life of the asset as per the management assessment, the payments are apportioned between interest (recognized as finance costs) and reduction of the renewable energy liability.
The net book value of the renewable energy assets and the movement on it were as follows:

	2021 JD	2020 JD
As of January 1,	38,456,419	40,568,762
Depreciation	(2,112,343)	(2,112,343)
As of December 31,	**36,344,076**	**38,456,419**

The movements on the renewable energy liability were as follows:

	2021 JD	2020 JD
As of January 1,	39,798,490	41,285,176
Interest expense	3,007,594	2,609,701
Payments	(4,236,046)	(4,096,387)
As of December 31,	**38,570,038**	**39,798,490**

The allocation for the renewable energy assets lease liabilities between current and non-current were as follows:

	2021 JD	2020 JD
Current	4,498,282	3,098,575
Non-current	34,071,756	36,699,915
	38,570,038	**39,798,490**

This liability is guaranteed by Jordan Telecommunications Company and Petra Jordanian Mobile Telecommunications Company.
Future payments under the agreement together with the present value of the payments were as follows:

	2021 JD	2020 JD
Within one year	4,306,468	4,215,006
After one year but not more than five years	16,986,403	17,116,201
More than five years	48,157,977	52,355,687
Total minimum payments	**69,450,848**	**73,686,894**
Less: amounts representing finance charges	(30,880,810)	(33,888,404)
Present value of liability	**38,570,038**	**39,798,490**

10. Income Tax

a. Income Tax Expense

Income tax expense reported in the consolidated statement of comprehensive income as follows:

	2021 JD	2020 JD
Income tax charge – current year	11,308,659	7,405,343
National contribution – current year	942,080	617,270
Effect of deferred tax	(160,724)	(178,457)
	12,090,015	**7,844,156**

The reconciliation between income tax expense at the statutory income tax rate and income tax expense at the Group's effective income tax rate was as follows:

	2021 JD	2020 JD
Accounting profit before income tax	38,214,306	25,346,277
At statutory income tax rate of 26% *	**9,935,720**	**6,590,032**
Tax adjustments for:		
Tax effect of provision for expected credit losses	258,636	406,935
Tax effect of debts written off	(1,150,113)	(78,916)
Tax effect of non-tax-deductible expenses and provisions	3,463,138	2,025,707
Tax effect of non-taxable gain on disposal of land	(417,366)	(1,099,602)
Reported income tax	**12,090,015**	**7,844,156**
Effective income tax rate	**31.6%**	**30.9%**

* The income tax provision for the years ended December 31, 2021 and 2020 were calculated in accordance with the income tax law No. (38) of 2018 which includes statutory tax rate of 24% and national contribution of 2% for the Company. The tax rate on subsidiaries ranges from 20% to 24% and national contribution ranges from 2% to 4%.

b. Income Tax Provision

Movement on the income tax provision during the year is as follows:

	2021 JD	2020 JD
As of January 1,	9,789,625	8,622,343
Income tax charge for the year	11,308,659	7,405,343
	21,098,284	**16,027,686**
Less: Income tax paid	(8,471,133)	(6,168,710)
Withholding tax on interest income	(78,941)	(69,351)
As of December 31	**12,548,210**	**9,789,625**

c. Deferred Tax Assets

Deferred tax assets at December 31, is related to the following items:

	2021 JD	2020 JD
Carried forward losses*	2,576,742	2,576,742
Deferred tax impact	680,553	393,945
Legal cases provision	360,368	360,368
	3,617,663	**3,331,055**

*Deferred tax assets have not been recognized in respect of the full amount these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in Petra Jordanian Mobile Telecommunications Company that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

d. Tax Status

The below table represents the tax status and tax rate for the Company and its subsidiary companies:

Company's Name	Final Settlements Up To
Jordan Telecommunications	2018
Petra Jordanian Mobile Telecommunications	2016*
Jordan Data Communications	2016
Dimension Company for Digital Development of Data	2015
Petra Mobile Payment Services Company	Not audited yet
Future Pioneers for Development and Initiatives	N/A

*The Income and sales Tax Department has reviewed Petra Jordanian Mobile Telecommunications Company tax returns from 2017 to 2019, however, no final decision was issued yet up to the date of the consolidated financial statements.

11. Inventories

The details of this item are as follows:

	2021 JD	2020 JD
Materials and supplies*	8,908,094	5,955,775
Handsets and others	2,857,765	2,099,624
Provision for damaged and slow-moving inventories	(1,605,908)	(1,522,339)
	10,159,951	**6,533,060**

* The materials and supplies are held for own use and are not for resale. During 2021, an amount of JD 15,890,696 (2020: JD 11,904,723) was recognized as a direct operating cost and inventories amounting to JD 8,517,965 (2020: JD 6,294,553) in materials and supplies were transferred to property and equipment

Movement on the provision for damaged and slow-moving inventories is as follows:

	2021 JD	2020 JD
As of January 1,	1,522,339	1,422,339
Additions	100,000	100,000
Write offs	(16,431)	-
As of December 31,	**1,605,908**	**1,522,339**

12. Trade Receivables and Other Current Assets

The details of this item are as follows:

	2021 JD	2020 JD
Trade receivables	69,431,306	65,353,245
Contract assets - unbilled revenue	3,169,088	5,608,105
Amounts due from related parties (note 27)	3,390,240	2,335,916
	75,990,634	**73,297,266**
Allowance for expected credit losses and doubtful accounts	(7,884,310)	(9,378,145)
	68,106,324	**63,919,121**
Other current assets	41,323,674	31,290,722
	109,429,998	**95,209,843**

Trade receivables are non-interest bearing. The Group does not obtain collateral over trade receivables except for some distributors' trade receivables where guarantees are obtained.

Movements on the allowance for expected credit losses and doubtful accounts were as follows:

	2021 JD	2020 JD
As of January 1,	9,378,145	7,930,380
Provision for the year	794,755	1,565,136
Write offs	(4,423,513)	(117,371)
Transfer from other provisions	2,134,923	-
As of December 31,	**7,884,310**	**9,378,145**

Set out below is the information about the credit risk exposure on the Group trade receivables and contract assets:

As of December 31, 2021		Days past due				
	Current JD	1-30 days JD	31-90 days JD	91-180 days JD	>180 days JD	Total JD
Expected credit loss rate	-	5%	5%	5-20%	20-100%	
Estimated gross carrying amount at default	6,073,287	9,296,456	7,502,322	2,404,430	50,714,139	**75,990,634**
Expected credit loss	-	464,823	375,116	360,665	6,683,706	**7,884,310**

As of December 31, 2020		Days past due				
	Current JD	1-30 days JD	31-90 days JD	91-180 days JD	>180 days JD	Total JD
Expected credit loss rate	-	5%	5%	5-20%	20-100%	
Estimated gross carrying amount at default	8,481,317	8,586,162	3,523,564	1,591,448	51,114,775	**73,297,266**
Expected credit loss	-	429,308	176,178	238,717	8,533,942	**9,378,145**

Management determines the expected credit losses on customers' balances and builds up a provision based on different factors including analysis of customer or group of customer's behaviours.

Unimpaired receivables are expected to be fully recoverable. The Group has a credit department that continuously monitors the credit status of the Group's customers. Service will be disconnected for customers exceeding certain limits for certain period of time.

Land Expropriation

Trade receivables and other current assets category includes the cost of plots of land with a total amount of JD 1,893,184 as of December 31, 2021 (JD 2,147,435 as of December 31, 2020) that were expropriated by Greater Amman Municipality (GAM) in previous years.

During 2018, the Group signed an agreement with GAM to settle the land expropriation lawsuit in regards of all plots of land except for one plot with a total cost of JD 207,882 which was not part of the settlement agreement and management is in the process of negotiating a separate settlement agreement regarding this plot of land. Based on the agreement, the Group will receive plots of land in exchange for those expropriated by GAM.

During August 2019, Management received a list of plots of land suggested by GAM in order for management to choose the most suitable plots for which the ownership will be transferred to the Group in exchange of the expropriated plots of land. Management performed a valuation of all parcels within the list and provided GAM with a list of the plots of land which they have selected.

As per the agreement, GAM will perform an independent valuation for the plots of land selected by Jordan Telecom Group before approving the transaction and transfers of ownership. The Group has received GAM's and the Land and Survey Department's valuations, which resulted in a higher valuation than the Group's valuation.

Recent events surrounding the COVID-19 pandemic may have affected the valuation of the plots of land selected previously. As a result, Management has agreed with GAM to reevaluate the plots of land in order to reach to an acceptable value before receiving the final approval.

Due to the delay in the valuation process, Management sent a letter to GAM during October 2020 requesting to receive immediate compensation in accordance with the terms of the settlement agreement. Accordingly, the Group has received an amount of JD 2,100,000 during the year ended December 31, 2021 (JD 4,626,220 during the year 2020) as a partial settlement.

During April 2021, a memorandum of understanding was signed with GAM in which GAM agreed to settle the remaining amounts due to Jordan Telecom through monthly equal payments starting from 2022 to 2025.

13. Balances Due From / To Telecom Operators

The Group has agreements with local and foreign telecom operators, whereby amounts due from and to the same operator are subject to the right of offset. The net balances are as follows:

	2021 JD	2020 JD
Balances due from telecom operators	5,327,990	3,900,163
Amounts due from related parties (note 27)	468,686	1,508,799
	5,796,676	**5,408,962**
Allowance for expected credit losses and doubtful accounts	(3,350,442)	(3,150,442)
Balances due from telecom operators	**2,446,234**	**2,258,520**
Balances due to telecom operators	17,236,423	24,158,544
Amounts due to related parties (note 27)	1,209,106	582,187
Balances due to telecom operators	**18,445,529**	**24,740,731**

Balances due from/to telecom operators are non-interest bearing and not guaranteed.

Movements on the allowance for expected credit losses and doubtful accounts were as follows:

	2021 JD	2020 JD
As of January 1,	3,150,442	3,336,594
Provision for the year	200,000	-
Write offs	-	(186,152)
As of December 31,	**3,350,442**	**3,150,442**

Set out below is the information about the credit risk exposure on the Group's balances due from telecom operators:

As of December 31, 2021	Days past due					
	Current JD	1-90 days JD	91-180 days JD	180-270 days JD	>271 days JD	Total JD
Expected credit loss rate	-	40%-50%	50%-60%	60%-70%	70%-100%	
Estimated gross carrying amount at default	1,051,100	2,239,329	184,550	171,219	2,150,478	**5,796,676**
Expected credit loss	-	969,381	110,730	119,853	2,150,478	**3,350,442**

As of December 31, 2020	Days past due					
	Current JD	1-90 days JD	91-180 days JD	180-270 days JD	>271 days JD	Total JD
Expected credit loss rate	-	40%-50%	50%-60%	60%-70%	70%-100%	
Estimated gross carrying amount at default	1,035,104	1,066,078	1,415,519	363,896	1,528,365	**5,408,962**
Expected credit loss	-	518,039	849,311	254,727	1,528,365	**3,150,442**

Unimpaired amounts due from telecommunication operators are expected to be fully recoverable.

14. Cash and Cash Equivalents

The cash and cash equivalents in the consolidated statement of cash flows represent the balance of cash and short-term deposits netted by the balance of the overdrafts and restricted cash as follows:

	2021 JD	2020 JD
Cash and short-term deposits	57,327,137	44,730,808
Less: Due to banks	(43,112,473)	(38,717,495)
Restricted cash / Customers accounts -E-units*	(8,936,368)	(3,441,683)
Restricted cash / Grants funds**	(1,430,750)	(1,632,237)
	3,847,546	**939,393**

Cash and short-term deposits include deposits with commercial banks in Jordan for periods that ranges between one day and three months in Jordanian Dinars, and US Dollars amounting to JD 54,379,891 as of December 31, 2021 and JD 44,034,975 as of December 31, 2020 with an effective interest rate of JD 2.59% and USD 0.23%, respectively (2020: JD 2.35% and USD 1.98%).

* The balance in this account represents restricted cash relating to e-units in circulation in Petra Mobile Payment Service Company (Orange Money) in compliance with the Central Bank of Jordan's requirements (note 21).

** The Group obtained four grants (two in 2020 and two in 2021) for the purpose of providing funding to promote Jordan Telecom's innovation initiatives, including the Group's coding academy and other academic programs. The Grants are restricted as per the conditions of the contracts (note 22).

Due to banks

This item represents the utilized amount of the credit facilities granted during 2016 to the Group from three Jordanian commercial banks with a ceiling of JD 30 million. During 2019 and 2020, the Group has increased the ceiling for one of the credit facilities by JD 10 million per each year to reach JD 50 million. Interest rates on the credit facilities granted ranges from 5.15% to 5.25%. These overdrafts are unsecured.

15. Paid in Capital

Jordan Telecommunications Company (the Company) authorized and paid in capital consists of 187,500,000 shares (2020: 187,500,000 shares) with par value of one Jordanian Dinar each.

16. Statutory Reserve

As required by the Jordanian Companies' Law, 10% of the Company's net income before tax is transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the balance of the reserve reaches 25% of the paid in capital. The Group has elected not to transfer any amount to the statutory reserve starting from the year 2005. The statutory reserve is not available for distribution to the shareholders.

17. Dividends Paid and Proposed

The Board of Directors proposed to the General assembly in its meeting that held on February 1, 2022 a cash dividends of JD 0.144 per share totalling JD 27 million.

The General Assembly in its meeting which was held on April 29, 2021 has approved a cash dividend of JD 0.10 per share totalling JD 18,750,000 for the year 2020.

On 23 July 2020, the General Assembly approved cash dividends for JD 0.08 per share totalling JD 15 million for the year 2019.

18. Telecommunications License Payable

This amount represents the cash price equivalent of the JD 104,250,000 deferred payments for the renewal of the 900 MHz spectrum license which was renewed on 9 May 2019 for an additional 10 years, in accordance with the settlement agreement signed with the Government of Jordan during October 2016.

The Group has calculated the cash price equivalent of the deferred payments amounting to JD 86,595,425 using a discount rate of 4%, which represents the average borrowing rate for the Group at the date of the agreement.

Future payments under the settlement agreement together with the present value of the payments were as follows:

	2021 JD	2020 JD
Within one year	-	-
After one year but not more than five years	52,125,000	52,125,000
More than five years	-	-
Total payments	**52,125,000**	**52,125,000**
Less: amounts representing finance charges	(4,184,296)	(5,960,189)
Present value of liability	**47,940,704**	**46,164,811**

During the year 2021, an amount of JD 1,775,893 was recognised as interest expense on the consolidated statement of profit or loss and other comprehensive income (JD 1,775,893 during the year 2020).

19. Interest- Bearing Loans

The details of this item are as follows:

Loan	As of December 31, 2021		
	Current Portion JD	Non – Current Portion JD	Total JD
French Government Protocol/ Second	318,169	1,205,920	1,524,089
French Government Protocol/ Third	10,268	-	10,268
Arab Bank	3,258,000	6,510,000	9,768,000
Societe Generale De Banque - Jordan	909,121	1,980,412	2,889,533
Housing Bank for Trade and Finance	4,998,161	10,000,000	14,998,161
Cairo Amman Bank	4,000,000	8,000,000	12,000,000
	13,493,719	**27,696,332**	**41,190,051**

Loan	As of December 31, 2020		
	Current Portion JD	Non – Current Portion JD	Total JD
French Government Protocol/ Second	343,207	1,644,021	1,987,228
French Government Protocol/ Third	22,153	11,078	33,231
Arab Bank	3,258,000	9,768,000	13,026,000
Societe Generale De Banque - Jordan	859,017	2,889,532	3,748,549
The Housing Bank for Trade and Finance	5,000,000	15,000,000	20,000,000
Cairo Amman Bank	4,000,000	12,000,000	16,000,000
	13,482,377	**41,312,631**	**54,795,008**

French Government Protocol /Second Loan

On February 23, 1995 the Government of Jordan, represented by the Ministry of Planning, signed a financial protocol with the Government of the Republic of France to finance several development projects including an FRF 52,000,000 loan to finance the construction and operation of Tla’a Al-Ali Communication Switch Unit.

The loan is subject to an annual interest rate of 1% payable on the total amount outstanding from the date of each drawing and shall be paid semi-annually.

The principal payments of each withdrawal is payable in 40 equal semi-annual instalments, the first instalment falling due 126 months after the end of the calendar quarter during which each drawing is made. Drawings commenced on July 1, 1995. The repayment of this loan started on March 31, 2006.

French Government Protocol / Third Loan

On October 24, 1996 the Government of Jordan represented by the Ministry of Planning signed a financial protocol with the Government of the Republic of France to finance several development projects including an FRF 15,000,000 loan to finance the construction of Al-Ashrafia Communication Switch Unit.

The loan is subject to an annual interest rate of 1% payable on the total amount outstanding and shall be paid semi-annually.

The principal payments of each withdrawal are payable in 30 equal consecutive semi-annual instalments, the first instalment falling due 90 months after the end of the calendar quarter during which each drawing is made. Drawings commenced on July 1, 1997. Repayment of this loan started on March 31, 2005.

Arab Bank Loan

On December 24, 2017, Petra Jordanian Mobile Telecommunications Company (Orange Mobile) has signed a JD 22,800,000 loan agreement with Arab Bank to finance the acquisition of frequency license (10 + 10 MHz) in 2600 MHz band.

The floating interest rate on the loan 5.375%, which represents the prime lending rate for the bank minus 3%, and it is calculated and paid on a monthly basis over the utilized balance.

The utilized loan balance is payable in 14 equal semi-annual instalments, the first instalment was due and paid on 30 June 2018 and the final instalment is due in seven years from the date of the loan agreement. The loan is secured by Jordan Telecommunications Company.

Societe Generale De Banque – Jordanie Loan

On December 26, 2017, Petra Jordanian Mobile Telecommunications Company (Orange Mobile) has signed a JD 6,000,000 loan agreement with Societe Generale De Banque – Jordanie to finance the acquisition of frequency license (10 + 10 MHz) in 2600 MHz band.

The floating interest rate on the loan is 5.75%, and it is calculated and paid on a monthly basis over the utilized balance.

The utilized loan balance is payable in 14 equal semi-annual instalments, the first installment was due and paid on June 30, 2019 and the final installment is due in seven years from the date of the loan agreement.

The Housing Bank for Trade and Finance Loan

On May 8, 2019, Petra Jordanian Mobile Telecommunications Company (Orange Mobile) has signed a JD 25,000,000 loan agreement with The Housing Bank for Trade and Finance to finance the first instalment of the 900MHz spectrum license. The interest rate is fixed at 5.75% and is calculated and paid on a semi-annual basis.

The utilized loan balance is payable in 10 equal semi-annual instalments, the first instalment was due and paid on November 7, 2019. This loan is secured by Jordan Telecommunications Company.

As a result of the impact of the pandemic COVID-19, management requested the deferral of the instalments that were due in May 2020 amounting to JD 2,500,000 granted by the Housing Bank. The bank approved management’s request during April 2020 by including the deferred instalment in the final payment due in May 2024.

Cairo Amman Bank Loan

On May 8, 2019, Petra Jordanian Mobile Telecommunications Company (Orange Mobile) signed a JD 20,000,000 loan agreement with Cairo Amman Bank to finance the first instalment of the 900MHz spectrum license. The interest rate is fixed at 5.9% and is calculated and paid on a semi-annual basis.

The utilized loan balance is payable in 10 equal semi-annual instalments, the first instalment was due and paid on November 7, 2019. This loan is secured by Jordan Telecommunications Company.

As a result of the impact of the pandemic COVID-19, management requested the deferral of the instalment that were due in May 2020 amounting to JD 2,000,000. The bank approved management’s request during April 2020, by extending the loan repayment date by 6 months to fall due in November 2024.

The amounts of annual principal maturities of non – current portion loans are as follows:

	JD
2023	13,538,317
2024	13,588,436
2025	318,171
2026 and after	251,408
	27,696,332

20. Employees' End of Service Benefits

During May 2011, the Group signed an agreement with the General Trade Union for Public Services and Free Vocations whereby the Group shall provide additional benefits to the employees which include the option for all employees to liquidate their end of service benefit accumulated up to December 31, 2011 during 2012 with an option of either to accumulate the end of service benefits again starting from January 1, 2012 or have the benefit added to their monthly salary.

In accordance with the Group's by-laws, the Group provides end of service benefits for its employees who have chosen the option to accumulate the end of service benefits starting from January 1, 2012.

The movements on end of service benefits were as follows:

	2021 JD	2020 JD
Provision at 1 January	523,521	519,847
Expenses for the year	81,157	70,259
End of service benefits paid	(58,599)	(66,585)
Provision at December 31	**546,079**	**523,521**

The allocation for the Employees' end of service benefits between current and non-current were as follows:

	2021 JD	2020 JD
Employees' end of service benefits – current	87,113	41,513
Employees' end of service benefits – non-current	458,966	482,008
	546,079	**523,521**

21. Orange Money – units in circulation

This account represents customers' electronic unit accounts in Petra Mobile Payment Service Company (Orange Money). Orange Money is a money transfer and payment solution through an electronic money (e-units) account that can be initiated using a valid mobile phone number.

As at December 31, 2021, customers' account balances of e-units in circulation amounted to JD 8,936,368 (December 31, 2020: JD 3,441,683).

As per the Central Bank of Jordan's requirements, the Company is required to deposit an amount that equals the e-units in circulation to restricted bank account which is monitored by the Central Bank of Jordan (note 14).

22. Trade Payables and Other Current Liabilities

The details of this item are as follows:

	2021 JD	2020 JD
Trade payables	57,948,178	56,778,675
Other provisions	48,524,479	40,916,584
Accrued expenses	19,684,918	18,815,651
Subscribers' deposits	16,592,867	16,659,402
Government revenue share payable	4,592,106	4,116,342
Amounts due to related parties (note 27)	8,267,021	8,028,536
Dividends payable	1,325,161	1,578,294
Restricted grants* (note 14)	1,430,750	1,632,237
Capital reduction payable to shareholders	204,743	267,268
	158,570,223	**148,792,989**

* The Group obtained four grants (two in 2020 and two in 2021) for the purpose of providing funding to promote Jordan Telecom's innovation initiatives, including the Group's coding academy and other academic programs. The Grants are restricted as per the conditions of the contracts. The details of the Grants were as follows:

EU Grant

During 2020, Jordan Telecommunications Company signed a Grant agreement with the European Union (EU) to fund an Innovation Space which promotes innovation culture, providing a space for innovation opportunities both virtually and physically, private sector innovation advice, support and financing. The EU Grant provides the Group with EURO 6,400,000 over three years. In December 2020, the Group received the first payment amounting to EURO 1,656,450. As per the terms of the agreement, the Grant is restricted to conditions specified in the agreement.

GIZ Grant

During 2020, Future Pioneers for Developments and Initiatives (Orange Foundation) signed a Grant agreement with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to fund Orange Digital Center which promotes creating an innovation ecosystem for young entrepreneurs in enhancing job-related digital skills, their employability, and thus contributing to reduce youth unemployment in Jordan. The GIZ Grant provides the Group with EURO 591,000 over two and a half years. In December 2020, the Group received the first payment amounting to EURO 269,461. As per the terms of the agreement, the Grant is restricted to conditions specified in the agreement.

ISSF Fund Grand

During 2021, Jordan Telecommunications Company signed a Grant agreement with the Innovative Startups and SMEs Fund (ISSF) to fund an AI Incubator, which promotes startups at the ideation stage through skill building, product development and access to opportunity. The ISSF Grant provides the Group with USD 250,000 over three years. In OCT 2021, the Group received the first payment amounting to USD 112,500. As per the terms of the agreement, the Grant is restricted to conditions specified in the agreement.

Orange Corporate Foundation Grants

1. During 2020, Future Pioneers for Development and Initiatives signed a Grant agreement with the Orange Corporate Foundation to fund three Women's Digital Centers program under The Hashemite Fund for Human Development. The program is for the social and professional integration of women with no qualification, no employment and living in poverty in the countries where the Orange Group operates. This program aims to foster the women's economic empowerment through digital skills training. It is based on providing digital equipment, educational content and training courses. The Orange Foundation Grant provides Future Pioneers with Euro 25,000 for one year. During 2021, Future Pioneers received the payment of Euro 25,000. As per the terms of the agreement, the Grant is restricted to conditions specified in the agreement.

2. During 2021, Future Pioneers for Development and Initiatives signed a Grant agreement with the Orange Corporate Foundation to enable the country foundation to help acquire vaccines, medical equipment, and support public initiatives of local healthcare policies in order to step up the fight against the pandemic. The Orange Foundation Grant provides Future Pioneers with Euro 75,000 for one year. During 2021, Future Pioneers received the payment of Euro 75,000. As per the terms of the agreement, the Grant is restricted to conditions specified in the agreement

23. Customer contracts

a. Revenues

Revenues are broken down by type of customers and product line as follows:

Voice Services

Voice services revenues are generated through incoming and outgoing calls on mobile network in addition to revenues from fixed narrowband services including roaming revenues from customers of other networks (national and international), and from network sharing.

Data Services

Data services revenues are generated from providing communication facilities for the provision of data network and internet access services on both fixed and mobile networks.

Other Services

Other services revenues represent all equipment sales (mobile phones, broadband equipment, connected objects and accessories) revenues from infrastructure services, applications services, security services, sales of equipment and mobile payment services related to the above products and services.

The details of revenues per type of customer and revenue were as follows:

	For the year ended December 31, 2021			
	Consumer Business Unit JD	Enterprise Business Unit JD	Whole Sales Business Unit JD	Total Revenues JD
Voice services	76,456,794	33,548,166	40,502,823	150,507,783
Data services	126,519,015	25,205,441	9,157,397	160,881,853
Other services	7,560,388	11,413,815	3,100,807	22,075,010
	210,536,197	**70,167,422**	**52,761,027**	**333,464,646**

	For the year ended December 31, 2020			
	Consumer Business Unit JD	Enterprise Business Unit JD	Whole Sales Business Unit JD	Total Revenues JD
Voice services	77,690,464	33,478,876	53,301,679	164,471,019
Data services	102,699,010	22,919,025	7,999,008	133,617,043
Other services	6,613,366	9,641,074	2,723,838	18,978,278
	187,002,840	**66,038,975**	**64,024,525**	**317,066,340**

The details of revenues per timing of revenue recognition were as follows:

	2021 JD	2020 JD
At a point in time	236,145,191	224,281,749
Overtime	97,319,455	92,784,591
	333,464,646	**317,066,340**

b. Contract Assets

Pursuant to IFRS 15 “Revenue from contracts with customers” application and due to the timing of revenue recognition that may differ from that of customer invoicing which is mainly related to the bundled offering combining the sale of a equipment and other services for a fixed-period, where the equipment is invoiced at a reduced price leading to the reallocation of a portion of amounts invoiced for the other services to the supply of the equipment. The excess of the amount allocated to the equipment over the price invoiced is recognized as a contract asset.

Movements on the contract assets were as follows:

	2021 JD	2020 JD
As of January 1,	3,112,457	2,801,837
Additions	3,242,761	3,367,744
Amortization	(3,223,848)	(3,057,124)
As of December 31,	**3,131,370**	**3,112,457**

The allocation of the short and long-term contract assets was as follows:

	2021 JD	2020 JD
Non-current portion of contract assets	682,732	778,775
Current portion of contract assets	2,448,638	2,333,682
	3,131,370	**3,112,457**

Set out below the maturities pattern of the long-term contract assets:

	JD
2022	668,777
2023	13,955
	682,732

c. Contract Liabilities

Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not yet transferred, such as contracts payable in advance or prepaid packages (previously recorded in deferred revenues).

The allocation of short and long term contract liabilities is as follows:

	2021 JD	2020 JD
Non-current portion of contract liabilities	19,098	224,737
Current portion of contract liabilities	10,575,894	7,615,373
	10,594,992	**7,840,110**

Set out below the maturities pattern of the long-term contract liabilities:

	JD
2023	19,098
	19,098

24. Government Revenue Share

In accordance with the agreement signed with the Telecommunications Regulatory Commission (TRC), a percentage of certain telecommunications services revenues is payable to TRC as revenue share.

25. Business Support Fees and Brand Fees

The Group calculates and pays business support fees to Orange Group, in accordance with the agreement signed between the Group and Orange Group.

During July 2007, the Group entered into a license agreement with Orange Brand Services Limited whereby, Jordan Telecommunications Company, Petra Jordanian Mobile Telecommunications Company and Jordan Data Communications were granted the right to use Orange brand in Jordan in return for royalty fees at 1.6% of the operating revenues as defined in the agreement. The license agreement is valid for 10 years. The agreement has been renewed for a period of 10 years starting from July 2017.

26. Earnings Per Share

The details of this item are as follows:

	2021	2020
Profit for the year attributable to the equity holders of parent (JD)	26,124,291	17,502,121
Weighted average number of shares during the year	187,500,000	187,500,000
Basic earnings per share	**0.139**	**0.093**

No figure for diluted earnings per share has been calculated as there are no potentially dilutive ordinary shares outstanding.

27. Related Party Disclosures

Related parties are shareholders, senior management of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group’s management.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Balances and transactions with related parties included in the consolidated statements of financial positions and consolidated statement of comprehensive income, respectively, were as follows:

	2021 JD	2020 JD
Consolidated statement of financial position:		
Government of Jordan and Orange Group and its subsidiaries (shareholder)		
Amounts due from related parties	3,858,926	3,844,715
Amounts due to related parties	9,476,127	8,610,723
Consolidated statement of comprehensive income:		
Orange Group and its subsidiaries (shareholder)		
Business support fees and brand fees	7,811,925	7,460,437
Operating expenses	8,872,115	5,592,853
Revenues	5,450,238	5,325,505
Government of Jordan		
Government revenue share	4,592,106	4,116,342
Revenues	14,430,338	12,331,351
Key management personnel		
Executives’ salaries and bonus	1,737,321	1,432,147
Board of Directors remuneration	225,650	223,200

Balances due from and to related parties are disclosed in notes 12, 13 and 22 to these consolidated financial statements.

28. Commitments and Contingences

Capital commitments

The Group enters into commitments during the ordinary course of business for major capital expenditures, primarily in connection with network expansion projects. Outstanding capital expenditure amounted to JD 29,037,735 as of December 31, 2021 (2020: JD 31,858,752).

Operational commitments

The Group entered into a 6-year sponsorship commitment. Outstanding operational expenditure amounted to JD 3,000,000 as of December 31, 2021 (2020: JD 4,500,000).

Legal claims

The Group is a defendant in a number of lawsuits with a value of JD 22,488,728 (December 31, 2020: JD 22,128,728) representing legal actions and claims in the ordinary course of business. Related risks have been analyzed as to likelihood of occurrence. Accordingly, a provision of JD 10,038,985 has been made (2020: JD 9,678,985).

During July 2019 the Group was notified of a lawsuit that was filed against the Group by another telecom operator relating to the fixed geographic numbers services. The Group has submitted its list of defense documents to the court. In the opinion of the Group's management and legal consultant the Group's position is strong and no provision is needed at this stage of the litigation.

The amount of legal cases above includes claims from the Telecommunications Regulatory Commission regarding differences in calculating the Government's revenue share for the years from 2000 to 2005. The Group filed a lawsuit to stop these claims, and since the Court of First Instance and Appeal had issued their judgment in favor of the Telecommunications Regulatory Commission, the Group appealed the decision of the Court of Appeal to the Court of Cassation. In addition, the Group has filed corresponding lawsuits against the Telecommunications Regulatory Commission to recover the amounts paid based on the Group›s calculation, and these cases are still pending in the courts up to the date of these consolidated financial statements.

In the opinion of the management and the Group's legal advisor, the legal position of the Group is good and the calculated provisions are sufficient, noting that there are efforts to settle and restructure the telecommunications sector as referred to in Note No. 32 of these consolidated financial statements

Guarantees

The Group has issued letters of guarantee amounting to JD 21,693,522 as of December 31, 2021 (2020: JD 23,437,015) in respect of legal claims and performance bonds.

29. Risk Management

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

Management continues to monitor the impact that the COVID-19 pandemic has on the Group, the telecommunications industry and the Jordanian economy, in which the Group operates. Below is the impact of the COVID-19 pandemic on the Group:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, bank overdraft and term loans).

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at December 31, 2021.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

Currency	Effect on profit for the year by changing the interest rate by 1%	
	2021 JD	2020 JD
JD	(69,528)	88,639
USD	3,797	563
EUR	72	78

The effect of decrease in interest rate is expected to be equal and opposite to the effect of increases shown.

Credit risk

The credit risk is the risk that other parties will fail to discharge their obligations to the Group. The Group manages credit risk with its customers by establishing credit limits for customers' balances and also disconnects the service for customers exceeding certain limits for a certain period of time. Also, the diversity of the Group's customer base (residential, corporate, government agencies) limits the credit risk. The Group also has a credit department that continuously monitors the credit status of the Group's customers.

The Group deposits its cash balances with a number of major high rated financial institutions and has a policy of limiting its balances deposited with each institution.

Liquidity risk

The Group monitors its risk of a shortage of funds by performing analysis for cash projection in addition to performing a detailed analysis of accounts payables. The Group's current liabilities exceed its current assets. Management has assessed the liquidity risk associated with having the negative working capital and based on the analysis the management believes that the Group is not subject to a significant risk, in addition to the fact that the Group can manage its cash demands through the use of bank overdrafts and bank loans.

The table below summarizes the maturities of the Group's financial liabilities at December 31, 2021 and 2020, based on contractual undiscounted payment.

December 31, 2021	Less than 3 months JD	3 to 12 months JD	1 to 5 Years JD	> 5 years JD	Total JD
Trade creditors and amounts due to related parties	30,390,364	31,595,196	42,764,034	9,747,776	114,497,370
Telecommunications licenses payable	-	-	52,125,000	-	52,125,000
Balances due to telecom operators	12,135,074	1,402,031	4,908,424	-	18,445,529
Loans	101,457	15,901,583	45,044,675	78,023	61,125,738
Lease liabilities	5,441,128	2,414,142	23,122,499	18,928,218	49,905,987
Renewable energy liability	-	4,306,468	16,986,403	48,157,977	69,450,848
Total	**48,068,023**	**55,619,420**	**184,951,035**	**76,911,994**	**365,550,472**

December 31, 2020	Less than 3 months JD	3 to 12 months JD	1 to 5 Years JD	> 5 years JD	Total JD
Trade creditors and amounts due to related parties	27,259,137	30,366,660	36,758,069	11,500,713	105,884,579
Telecommunications licenses payable	-	-	52,125,000	-	52,125,000
Balances due to telecom operators	15,621,266	1,834,324	7,285,141	-	24,740,731
Loans	101,457	15,912,584	45,221,534	78,023	61,313,598
Lease liabilities	5,953,470	2,170,379	26,262,589	23,302,266	57,688,704
Renewable energy liability	-	4,215,006	17,116,201	52,355,687	73,686,894
Total	**48,935,330**	**54,498,953**	**184,768,534**	**87,236,689**	**375,439,506**

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure 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 (when revenue or expense is denominated in a foreign currency).

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar exchange rate is fixed against the U.S. Dollar (US $ 1.41 for JD 1).

The Group has loans payable in Euros and short term deposits in Euros. Changes in Euro exchange rates may significantly affect the loans values.

The table below indicates the effect of a reasonably possible movement in the JD rate against foreign currencies on the consolidated statement of comprehensive income, with all other variables held constant.

Currency	Effect on profit for the year by changing the exchange rate by 5%	
	2021 JD	2020 JD
EUR	(24,381)	14,127

The effect of decrease in Euro rate is expected to be equal and opposite to the increase shown.

Capital Risk Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions.

On December 10, 2015, the General Assembly, in its extra ordinary meeting, has approved the reduction of the authorized and paid in capital by 25%, to become 187,500,000 shares at a value of one Jordanian Dinar each. The capital reduction has been approved by the Ministry of Industry and Trade on April 6, 2016 and it was approved by Amman Stock Exchange on April 21, 2016.

Capital comprises share capital, statutory reserve and retained earnings, and is measured at JD 281,358,069 as of December 31, 2021 (JD 273,983,778 as of December 31, 2021).

COVID-19 Impact Analysis

The consolidated financial statements are prepared on a going concern basis under the historical cost convention.

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

Management continues to monitor the impact that the COVID-19 pandemic has on the Group, the telecommunications industry, and the Jordanian economy, in which the Group operates. Below is the impact of the COVID-19 pandemic on the Group:

a- Revenue recognition

In accordance with IFRS 15, a contract with a customer may be reassessed due to a significant change in facts or circumstances including a significant deterioration in a customer's ability to pay the consideration. Due to the large impact on some sectors during 2020, management has analysed its existing contracts with customers operating in these sectors and has concluded that the Group did not face a significant impact on revenues for the year ended December 31, 2021.

b- Accounts receivable

Exposure by industry has been prepared to better monitor and assess the potential impact on the Group. Analysis of the Group's receivables included on a sector-by-sector basis to assess the impact of the pandemic on the various sectors the Group's customers operate in.

Management has assessed the potential impact on collections and accordingly a provision of JD 994,755 was recorded for any additional expected credit losses.

The analysis of the Group's Enterprise Business Unit accounts receivable on sector-by-sector basis as at December 31, 2021 and December 31, 2020 were as follows:

			Corporate					
	Individuals JD	Government JD	Hospitality JD	Financial Institutions JD	Commercial Centres and Retail JD	Healthcare JD	Others JD	Total JD
December 31, 2021	7,695,037	6,353,132	911,674	1,507,536	48,975	1,486,166	1,928,802	**19,931,322**
December 31, 2020	6,482,357	3,730,002	875,684	941,042	131,925	2,515,809	2,925,021	**17,601,840**

As part of the BCCM, the Group has implemented aggressive cash collection measures to monitor, assess and collect the maximum possible cash from customers following the events of the ongoing crisis.

c- Contracts with suppliers

Management renegotiated various contracts with suppliers in order to control cash expenditures during the pandemic. The contracts that were renegotiated mainly affected selling and administrative expenses.

d- Interest-bearing loans

Interest rates on interest-bearing loans and borrowings were reduced from an average of 6.5% to 5.8% effective 1 April 2020 as per the requirements of the Central Bank of Jordan.

Due to the impact of the pandemic COVID-19, and to enhance liquidity, the management requested the deferral of the instalments that were due in May 2020 amounting to JD 2,500,000 and JD 2,000,000 towards facilities granted by the Housing Bank and Cairo Amman Bank, respectively. The banks approved management's request during April 2020, by extending Cairo Amman Bank's loan last repayment date by 6 months while Housing Bank included the deferred instalment in the final payment due in May 2024.

e- Impairment of Assets

The Group assessed whether there is an indication that an asset may be impaired at the reporting date and concluded that no such indication exists. The events surrounding the outbreak have not had an impact on the Group's assets.

Management will be continuously assessing the existence of impairment indicators including the fall of stock, decrease of market interest rates, shop closures and reduced demand and selling prices of equipment and services.

f- Group's liquidity

Management conducted an analysis which indicates that the solvency position is and will likely remain within the Group's 'Capital Management Framework' targets. Management believes the preparation of the financial statements on a going concern basis remains appropriate.

30. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and short-term deposits, receivables and some other current assets. Financial liabilities consist of term loans, payables and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

31. Comparative Figures

In accordance with the requirements of International Accounting Standard (8), the classification of the value of land expropriated during previous years has been corrected from property and equipment item to the accounts receivable and other current assets as on December 31, 2020, and the adjustment did not have any effect on the consolidated statement of profit or loss or the consolidated statement of changes in shareholders' equity for the year 2020, as follows:

	December 31, 2020 (Audited)		
	After Adjustment JD	As Reported JD	Difference
Property and equipment	248,960,529	251,107,964	(2,147,435)
Trade receivables and other current assets	95,209,843	93,062,408	2,147,435
Total assets	**690,405,299**	**690,405,299**	**-**

32. Subsequent Events

During January 2022, the Group has been notified by the TRC of the Prime Minister decision which have been issued on 29 December 2021, aiming to develop integrated reform bundle "to restructure the Telecom Sector", while taking into consideration the appropriate solutions to remedy the confronted challenges and obstacles which will contribute in Increase the investment in telecom infrastructure expansion /development, internet services, broadband services and technologies, in addition to support penetration growth, usage variety to serve individuals and enterprises, and digital economy support, where the telecom companies represent one of the most important success pillars to complete the digital transformation in addition to introducing 5G technologies roll out in the Kingdom, which will produce a quantum leap in the economic growth and Increase the sector job opportunities.

Future Vision

Orange Jordan resumed growth in 2021, as we focused on improvements across several aspects, always aiming to increase customer satisfaction.

We will continue our transformation by capitalizing on our strong assets and setting ambitious targets for 2022, while making a firm commitment to our employees, customers, and society at large.

Our priority to achieve our strategic plan "Engage 2025", is to become the responsible digital leader in Jordan, by offering the best network and innovative digital solutions, along with an unmatched customer experience provided by our skilled Orange teams.
The four key ambitions of Engage 2025 are:

- Reinvent our business model, as we strive to achieve it by improving the coverage quality for our customers, both individuals and the business and enterprise sector, and maintaining our leading position through more elevated, valuable, and open infrastructure.
- Accelerate growth areas to make Orange the reference digital operator, accelerating IT service development for B2B customers while scaling up cybersecurity and continuing our expansion in financial services across our footprint.
- Data and AI are at the heart of our innovation model to offer a reinvented customer experience, smarter networks, and greater operational efficiency.
- Create a future-facing company, by enhancing employees' skills as we become one of the most attractive employers in the world.

We are making a lasting commitment to the planet and to digital equality, because we realize that societies will not accept technological development unless it is available to everyone and environmentally responsible, especially amid the rise of inequality and the climate challenge that is becoming more pressing. By 2025, there will be no business performance without social and environmental commitments.