



**VODAFONE QATAR P.Q.S.C.**

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE SIX MONTHS PERIOD ENDED  
30 JUNE 2024**

VODAFONE QATAR P.Q.S.C.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

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# Independent auditors' report on review of interim condensed consolidated financial statements

**To the Shareholders of**  
*Vodafone Qatar P.Q.S.C.*

## Introduction

We have reviewed the accompanying 30 June 2024 interim condensed consolidated financial statements of Vodafone Qatar P.Q.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the interim condensed consolidated statement of income for the six-month period ended 30 June 2024;
- the interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2024;
- the interim condensed consolidated statement of financial position as at 30 June 2024;
- the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the interim condensed consolidated financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

23 July 2024  
Doha  
State of Qatar



  
Gopal Balasubramaniam  
KPMG

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
For the six months period ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Revenues	5	1,585,133	1,550,761
Interconnection and other direct expenses		(517,096)	(523,092)
Network and other operational expenses		(238,639)	(242,674)
Employees' salaries and benefits		(140,372)	(137,631)
Depreciation of property, plant and equipment		(164,313)	(165,895)
Amortisation of intangible assets		(98,430)	(93,982)
Depreciation of right-of-use assets		(57,224)	(56,372)
Expected credit losses		(17,225)	(12,979)
Finance costs		(18,626)	(23,354)
Other financing costs	6	(14,511)	(14,878)
Other income		4,395	5,778
<b>Profit before tax related fees</b>		<b>323,092</b>	<b>285,682</b>
Tax related fees	7	(29,925)	(25,840)
<b>Profit for the period</b>		<b>293,167</b>	<b>259,842</b>
<b>Basic and diluted earnings per share (in QR per share)</b>	8	<b>0.069</b>	<b>0.061</b>



This statement has been prepared by the Group and stamped by the auditors for identification purposes only.

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



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the six months period ended 30 June 2024

	Six months ended 30 June	
	2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Profit for the period	293,167	259,842
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
Net loss on cash flow hedges	17 (2,188)	-
<b>Total comprehensive income for the period</b>	<b>290,979</b>	<b>259,842</b>



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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 30 June 2024

	Notes	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
<b>Non-current assets</b>			
Property, plant and equipment	9	1,853,875	1,934,465
Intangible assets	10	3,953,344	4,037,387
Right-of-use assets	11	393,063	428,599
Trade and other receivables	12	218,869	266,958
<b>Total non-current assets</b>		<b>6,419,151</b>	<b>6,667,409</b>
<b>Current assets</b>			
Trade and other receivables	12	450,257	443,974
Inventories	13	43,719	33,928
Contract costs		25,809	13,030
Cash and bank balances	14	143,900	129,785
<b>Total current assets</b>		<b>663,685</b>	<b>620,717</b>
<b>Total assets</b>		<b>7,082,836</b>	<b>7,288,126</b>
<b>Equity</b>			
Share capital	15	4,227,000	4,227,000
Legal reserve	16	174,621	157,787
Hedging reserve	17	(2,188)	-
Retained earnings		355,743	551,709
<b>Total equity</b>		<b>4,755,176</b>	<b>4,936,496</b>
<b>Non-current liabilities</b>			
Loans and borrowings	18	590,000	325,000
Provisions	19	116,404	110,433
Lease liabilities	20	264,831	315,251
<b>Total non-current liabilities</b>		<b>971,235</b>	<b>750,684</b>
<b>Current liabilities</b>			
Loans and borrowings	18	4,174	104,868
Lease liabilities	20	176,385	156,144
Trade and other payables	21	1,175,866	1,339,934
<b>Total current liabilities</b>		<b>1,356,425</b>	<b>1,600,946</b>
<b>Total liabilities</b>		<b>2,327,660</b>	<b>2,351,630</b>
<b>Total equity and liabilities</b>		<b>7,082,836</b>	<b>7,288,126</b>

These interim condensed consolidated financial statements were approved by the Board of Directors on 23 July 2024 and were signed on its behalf by:

**Abdulla Bin Nasser Al Misnad**  
Chairman

**Rashid Fahad Al Naimi**  
Managing Director

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**VODAFONE QATAR P.Q.S.C.**



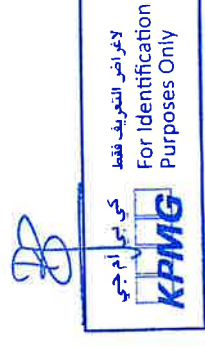
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months period ended 30 June 2024

	Share capital	Legal reserve	Hedging Reserve	Retained earnings		Total equity
				Distributable profits	Accumulated losses	
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
<b>Balance as at 1 January 2023 (audited)</b>	4,227,000	126,369	-	902,351	(423,067)	4,832,653
Profit for the period	-	-	-	-	259,842	259,842
Total comprehensive income for the period	-	-	-	-	259,842	259,842
Transfer to distributable profits (note 16)	-	-	-	304,145	(304,145)	-
Transfer to legal reserve (note 16)	-	15,207	-	(15,207)	-	-
Dividend for the year ended 31 December 2022	-	-	-	(422,700)	-	(422,700)
Transfer to social and sports fund	-	-	-	(6,496)	-	(6,496)
<b>Balance as at 30 June 2023 (reviewed)</b>	4,227,000	141,576	-	762,093	(467,370)	4,663,299
<b>Balance as at 1 January 2024 (audited)</b>	4,227,000	157,787	-	1,063,093	(511,384)	551,709
Profit for the period	-	-	-	-	293,167	293,167
Comprehensive loss for the period	-	-	(2,188)	-	-	(2,188)
Total comprehensive income for the period	-	-	(2,188)	-	293,167	290,979
Transfer to distributable profits (note 16)	-	-	-	336,687	(336,687)	-
Transfer to legal reserve (note 16)	-	16,834	-	(16,834)	-	(16,834)
Dividend for the year ended 31 December 2023 (note 24)	-	-	-	(464,970)	-	(464,970)
Transfer to social and sports fund	-	-	-	(7,329)	-	(7,329)
<b>Balance as at 30 June 2024 (reviewed)</b>	4,227,000	174,621	(2,188)	910,647	(554,904)	4,755,176

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six months period ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		(Reviewed) QR'000	(Reviewed) QR'000
<b>Operating activities</b>			
Profit before tax related fees		323,092	285,682
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		164,313	165,895
Amortisation of intangible assets		98,430	93,982
Depreciation of right-of-use assets		57,224	56,372
Provision for employees' end of service		5,586	8,872
Expected credit losses		17,225	12,979
Finance costs		18,626	23,354
Other financing costs		14,511	14,878
Other income		(4,395)	(5,778)
<i>Changes in operating assets and liabilities</i>			
Increase in inventories		(9,791)	(12,052)
Increase in contract costs		(12,779)	(7,347)
Decrease in trade and other receivables		28,433	90,979
Decrease in trade and other payables		(150,648)	(183,771)
Increase in provisions		618	1,260
<b>Cash generated from operations</b>		<b>550,445</b>	<b>545,305</b>
Tax related fees paid		(52,418)	(56,477)
Finance costs paid		(16,820)	(21,203)
Employees' end of service paid		(1,919)	(3,316)
Other income received		353	662
<b>Net cash flows from operating activities</b>		<b>479,641</b>	<b>464,971</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(83,742)	(59,644)
Purchase of intangible assets		(14,387)	(27,418)
Deferred consideration paid for subsidiary acquisition		(1,000)	-
<b>Net cash used in investing activities</b>		<b>(99,129)</b>	<b>(87,062)</b>
<b>Financing activities</b>			
Proceeds from loans and borrowings		415,000	400,000
Repayment of loans and borrowings		(252,500)	(352,500)
Payment of lease liabilities		(61,799)	(56,553)
Dividend paid		(467,098)	(417,100)
Movement in restricted bank accounts	14.1	2,128	(5,600)
<b>Net cash used in financing activities</b>		<b>(364,269)</b>	<b>(431,753)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>16,243</b>	<b>(53,844)</b>
Cash and cash equivalents at the beginning of the period		104,534	164,678
<b>Cash and cash equivalents at the end of the period</b>		<b>120,777</b>	<b>110,834</b>

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







## 1 INCORPORATION AND PRINCIPAL ACTIVITIES

Vodafone Qatar P.Q.S.C. (the “Company”) is registered as a Qatari Shareholding Company for a twenty-five-years period (which may be extended by a resolution passed at a General Assembly) under Qatar Commercial Companies Law. The Company was registered with the Commercial Register of the Ministry of Economy and Commerce on 23 June 2008 under Commercial Registration No: 39656. The shares of the Company are listed on the Qatar Stock Exchange.

The Company is licensed by the Communications Regulatory Authority (CRA) to provide both fixed and mobile telecommunications services in the State of Qatar. The conduct and activities of the Company are primarily regulated by the CRA pursuant to Law No. 34 of 2006 (Telecommunications Law), the terms of its mobile and fixed licences and applicable regulations.

The Company is engaged in providing cellular mobile telecommunication services, fixed line and broadband services and selling related equipment and accessories. The Company is controlled by Vodafone and Qatar Foundation L.L.C (‘Parent entity’), (a fully owned subsidiary of Qatar Foundation for Education, Science and Community Development). The Company’s head office is located in Doha, State of Qatar and its registered address is P.O. Box 27727, Msheireb Downtown, Doha, State of Qatar.

The Company has a cooperation agreement with Vodafone Sales & Services Limited, a company registered in United Kingdom. In accordance with the agreement, the Company has rights to receive the benefit of Vodafone Group’s brand, products, services, expertise and technical knowledge.

These interim condensed consolidated financial statements as at and for six-month period ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as “the Group”). As at the current and comparative reporting date (31 December 2023), the Company has the following subsidiaries:

Subsidiary companies	Location	Nature of business	Holding
Infinity Solutions L.L.C	Qatar	Operational and administrative services	100%
Infinity Payment Solutions W.L.L	Qatar	Fintech and digital innovation services	100%
Allied Advertising Group W.L.L	Qatar	Advertising and sales promotion	100%
Infinity Fintech Ventures L.L.C	Qatar	Investment company	100%
Infinity Global Services L.L.C	Qatar	Investment company	100%

## 2 BASIS OF PREPARATION

### Statement of compliance

These interim condensed consolidated financial statements for the six months period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34).

All amounts in the interim condensed consolidated financial statements are stated in thousands of Qatari Riyals (QR’000) unless indicated otherwise. These interim condensed consolidated financial statements are presented on a condensed basis as permitted by IAS 34 and therefore do not include all disclosures that would otherwise be required in a full set of consolidated financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.



## 2 BASIS OF PREPARATION (CONTINUED)

### Use of estimates and judgements

The preparation of these interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary 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.

Management has carried out sensitivity analysis over these significant judgments to assess if any adjustment is needed to the amounts recognised in these interim condensed consolidated financial statements. Any adjustment required is taken on an ongoing basis.

### Financial risk management

The Group's financial risk management objectives and policies, judgments and estimates are consistent with those disclosed in the consolidated financial statements as at and for year ended 31 December 2023, except for the following:

#### Market risk

##### *Foreign currency risk management*

The Group's risk management strategy involves mitigating currency risk exposure through the use of forward exchange contracts. These contracts are typically designated as cash flow hedges.

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are:

- Differences in the timing of the cash flows of the hedged item and the hedging instrument; and
- The effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

## 3 CHANGE IN ACCOUNTING POLICY

Except as described below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

The Group has adopted *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1*, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for classification of liabilities.



### 3 CHANGE IN ACCOUNTING POLICY (CONTINUED)

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2024.

#### **Derivative financial instruments and hedge accounting**

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, the Group has only the below hedge instrument:

##### *Cash flow hedges*

When hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

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

Hedges that meet all the qualifying criteria for cash flow hedge are accounted for, as described below:

##### *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in the interim condensed consolidated statement of comprehensive income (OCI), while any ineffective portion is recognised immediately in the consolidated interim statement of income. The hedging reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as a hedge against its exposure to foreign currency risk in forecasted transactions and firm commitments, The ineffective portion relating to foreign currency contracts is recognised in the interim condensed consolidated statement of income.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the hedging reserve and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and hence it does not affect OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.



### 3 CHANGE IN ACCOUNTING POLICY (CONTINUED)

#### Derivative financial instruments and hedge accounting (continued)

##### Cash flow hedges (continued)

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the interim condensed consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in hedging reserve if the hedged of the future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the interim condensed consolidated statement of income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in the hedging reserve must be accounted for depending on the nature of the underlying transaction as described above.

### 4 CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgments and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

### 5 REVENUES

#### Disaggregation of revenue

In the following tables, revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition.

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Revenue from post-paid mobile services	654,130	653,049
Revenue from pre-paid mobile services	265,541	262,387
Sale of equipment, related services, and accessories	167,810	175,758
Revenue from broadband, roaming, wholesale and managed services	494,146	459,215
Other revenue	3,506	352
	<u>1,585,133</u>	<u>1,550,761</u>
	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	(Reviewed)	(Reviewed)
	QR'000	QR'000
<b>Disaggregation of revenue – over time</b>		
Post-paid mobile services	654,130	653,049
Pre-paid mobile services	265,541	262,387
Sale of equipment, related services, and accessories	12,690	30,362
Revenue from broadband, roaming, wholesale and managed services	494,146	459,215
Other revenue	1,395	-
	<u>1,427,902</u>	<u>1,405,013</u>
<b>Disaggregation of revenue – at a point in time</b>		
Sale of equipment, related services, and accessories	155,120	145,396
Other revenues	2,111	352
	<u>157,231</u>	<u>145,748</u>
<b>Total revenue</b>	<u>1,585,133</u>	<u>1,550,761</u>



## 6 OTHER FINANCING COSTS

Other financing costs include unwinding of discount on lease liabilities, assets retirement obligation and deferred liability amounting to QR 10 million (30 June 2023: QR 9.6 million), QR 1.7 million (30 June 2023: QR 1.6 million), QR 2.8 million (30 June 2023: QR 1.7 million), respectively and certain other ancillary costs.

## 7 TAX RELATED FEES

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Industry fee (note 7.1)	29,759	25,781
Current income tax	166	59
	<u>29,925</u>	<u>25,840</u>

- 7.1 In accordance with its operating licenses for Public Telecommunications Networks and Services granted in Qatar by Communications Regulatory Authority (CRA), the Company is liable to pay to the CRA an annual industry fee which is calculated at 12.5% of adjusted net profit on licensed activities.

## 8 BASIC AND DILUTED EARNINGS PER SHARE

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	(Reviewed)	(Reviewed)
Profit for the period (QR '000)	293,167	259,842
Weighted average number of shares (in thousands)	4,227,000	4,227,000
Basic and diluted earnings per share (QR)	<u>0.069</u>	<u>0.061</u>

## 9 PROPERTY, PLANT AND EQUIPMENT

	<u>30 June</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	1,934,465	1,884,890
Additions during the period / year	83,742	376,433
Net book value of assets disposed during the period / year	(19)	-
Acquisition through business combinations	-	19
Depreciation for the period / year	<u>(164,313)</u>	<u>(326,877)</u>
Net book value at the end of the period / year	<u>1,853,875</u>	<u>1,934,465</u>

**10 INTANGIBLE ASSETS**

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	4,037,387	4,049,709
Additions during the period / year	14,387	173,739
Acquisition through business	-	5,401
Amortisation for the period / year	<u>(98,430)</u>	<u>(191,462)</u>
Net book value at the end of the period / year	<u>3,953,344</u>	<u>4,037,387</u>

**11 RIGHT OF USE ASSETS**

The Group leases various exchange and network assets, buildings, offices and ducts. Rental contracts are typically for fixed periods of 5-10 years.

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	428,599	429,538
Additions to right-of-use assets during the period / year	21,805	115,332
Termination of leases	(117)	(4,107)
Depreciation charge for the period / year	<u>(57,224)</u>	<u>(112,164)</u>
Net book value at the end of the period / year	<u>393,063</u>	<u>428,599</u>

**12 TRADE AND OTHER RECEIVABLES**

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
<b>Non-current assets:</b>		
Trade receivables	155,236	197,285
Advances for long term lease	39,420	39,420
Prepayments	<u>24,213</u>	<u>30,253</u>
	<u>218,869</u>	<u>266,958</u>
<b>Current assets:</b>		
Trade receivables - net (note 12.1 and 12.2)	338,674	343,234
Contract assets	50,132	49,219
Prepayments	47,284	29,625
Due from related parties (note 23)	8,931	16,428
Other receivables	<u>5,236</u>	<u>5,468</u>
	<u>450,257</u>	<u>443,974</u>



## 12 TRADE AND OTHER RECEIVABLES (CONTINUED)

12.1 Trade receivables include financing income receivable amounting to QR 2.9 million (31 December 2023: QR 6 million).

12.2 Trade and other receivables are net of the expected credit losses (ECL) amounting to QR 144.7 million (31 December 2023: QR 126.3 million). The following table shows the movement in expected credit loss that was recognised against trade and other receivables:

	30 June 2024	31 December 2023
	(Reviewed) QR'000	(Audited) QR'000
Balance at beginning of the period/year	126,329	158,584
Expected credit losses recognised during the period/year	17,225	23,696
Collections from previously written off balances during the period/year	1,159	4,359
Acquired through business combination	-	118
Write offs during the year	-	(60,428)
Balance at end of the period/year	<u>144,713</u>	<u>126,329</u>

## 13 INVENTORIES

	30 June 2024	31 December 2023
	(Reviewed) QR'000	(Audited) QR'000
Handsets	36,326	25,374
Scratch cards and accessories	7,393	8,554
	<u>43,719</u>	<u>33,928</u>

13.1 Inventories are reported net of allowance for obsolescence, an analysis which is as follows:

	30 June 2024	31 December 2023
	(Reviewed) QR'000	(Audited) QR'000
Balance at beginning of the period / year	7,182	6,277
(Reversal) / charge recognised during the period / year	(620)	1,274
Write offs during the period / year	-	(369)
Balance at end of the period / year	<u>6,562</u>	<u>7,182</u>

## 14 CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
	(Reviewed) QR'000	(Audited) QR'000
Cash and bank balances	143,900	129,785
Less: Balance with restricted bank accounts (note 14.1)	(23,123)	(25,251)
Cash and cash equivalents	<u>120,777</u>	<u>104,534</u>

14.1 This comprises restricted funds maintained for uncollected shareholders' dividends.



## 15 SHARE CAPITAL

	30 June 2024		31 December 2023	
	Number (Reviewed)	QR'000 (Reviewed)	Number (Audited)	QR'000 (Audited)
<b>Ordinary shares authorised, allotted, issued and fully paid:</b>				
Ordinary shares of QR 1 each	4,227,000,000	4,227,000	4,227,000,000	4,227,000

All shares have equal rights.

## 16 LEGAL RESERVE AND DISTRIBUTABLE PROFITS

### *Legal reserve:*

As per the Articles of Association of the Company, 5% of annual distributable profits should be transferred to a separate legal reserve. The General Assembly may discontinue this deduction if the legal reserve reaches 10% of the paid-up capital.

### *Distributable profits:*

As per the Articles of Association of the Company, distributable profits are defined as the reported net profit for the financial period plus amortisation of license fees for the period. Undistributed profits are carried forward and are available for distribution in future periods. Dividends shall be paid to the shareholders in the place and time specified by the board of directors.

The movement in the balance of distributable profits is as follows:

	Six months ended 30 June			
	2024		2023	
	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000
Balance at beginning of the period		1,063,093		902,351
Net profit of the Company	294,641		262,099	
License fee amortisation	42,046		42,046	
Distributable profit	336,687		304,145	
Transfer to distributable profits		336,687		304,145
Transfer to legal reserve		(16,834)		(15,207)
Dividends declared for the year 2023/2022		(464,970)		(422,700)
Contribution to social and sports fund		(7,329)		(6,496)
Balance at period end		910,647		762,093

## 17 HEDGING RESERVE

During the period, the Group designated foreign currency forward contracts as cash flow hedges to manage the risk associated with highly probable future payments in the EURO currency. The forecasted purchases are expected to occur between July 2024 and June 2028. For the period ended 30 June 2024, the effective portion of loss on cash flow hedge is QR 2.2 million and is included in the interim condensed statement of comprehensive income.



**18 LOANS AND BORROWINGS**

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed) QR'000	(Audited) QR'000
Loans and borrowings	<u>594,174</u>	<u>429,868</u>

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

Non-current liabilities	590,000	325,000
Current liabilities	<u>4,174</u>	<u>104,868</u>
	<u>594,174</u>	<u>429,868</u>

The Group has a rollover Islamic financing facility of QR 1,211 million at an agreed Murabaha profit rate of QMRL less 25 Basis Points (BPs). During the current period, an amount of QR 415 million was withdrawn (31 December 2023: QR 450 million). As of reporting date, an amount of QR 594 million was outstanding (31 December 2023: QR 327.2 million). Finance cost of QR 16.4 million (30 June 2023: QR 15.7 million) was incurred on this financing facility and charged to interim condensed consolidated statement of income. The facility is secured over assets agreement and receivable asset agreement with carrying amount of QR 50 million.

The loan is subject to a covenant of maintaining the net debt to EBITDA (earnings before interest, tax, depreciation and amortisation) ratio less than 2.50:1.

The Group also entered into a facility agreement with a local bank for QR 820 million on 29 October 2019 (the "Facility") at an agreed financing cost of QMRL less 25 Basis Points (BPs). The facility of QR 820 million was availed on 12 November 2019 for a term of five years. As of the reporting date, there was no outstanding balance as the loan was fully paid, (31 December 2023: QR 102.6 million). Finance cost of QR 2.2 million (30 June 2023: QR 7.7 million) was incurred during the period and charged to the interim condensed statement of income.

**19 PROVISIONS**

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed) QR'000	(Audited) QR'000
Employees' end of service benefits (note 19.1)	65,766	62,099
Asset retirement obligations (note 19.2)	<u>50,638</u>	<u>48,334</u>
	<u>116,404</u>	<u>110,433</u>

**19.1 Employees' end of service benefits**

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed) QR'000	(Audited) QR'000
Balance at beginning of the period / year	62,099	55,268
Charge for the period / year	5,586	14,651
Acquired through business combination	-	180
Payments during the period / year	<u>(1,919)</u>	<u>(8,000)</u>
	<u>65,766</u>	<u>62,099</u>

**19 PROVISIONS (CONTINUED)**

## 19.2 Asset retirement obligations

	<b>30 June 2024</b>	31 December 2023
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Balance at beginning of the period / year	48,334	42,935
Addition to the provision during the period / year	618	2,409
Unwinding of discount during the period / year	1,686	2,990
Balance at end of the period/year	<b>50,638</b>	<b>48,334</b>

**20 LEASE LIABILITIES**

	<b>30 June 2024</b>	31 December 2023
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Balance at the beginning of the period / year	471,395	456,390
New leases added during the period / year	21,805	115,332
Unwinding of discount for the period / year	10,015	20,832
Offsetting of balances	126	(4,552)
Termination of leases during the period / year	(326)	(4,276)
Payments during the period / year	(61,799)	(112,331)
Balance at the end of the period / year	<b>441,216</b>	<b>471,395</b>
Presented in the interim condensed consolidated statement of financial position as:		
Non - current lease liabilities	<b>264,831</b>	315,251
Current lease liabilities	<b>176,385</b>	156,144
	<b>441,216</b>	<b>471,395</b>

**21 TRADE AND OTHER PAYABLES**

	<b>30 June 2024</b>	31 December 2023
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Accruals	460,480	499,465
Trade payables	460,373	579,577
Contract liabilities	134,135	100,413
Regulatory and industry fee	72,122	99,590
Dividend payable	23,123	25,251
Due to related parties (note 23)	12,603	12,639
Payable to social and sports fund	7,329	13,501
Forward contract liability	2,188	-
Other payables	3,513	9,498
	<b>1,175,866</b>	<b>1,339,934</b>



## 22 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the fair value of financial assets and financial liabilities. The fair values of the financial assets and financial liabilities that are carried at amortised cost are not materially different from their carrying values in the interim condensed consolidated statement of financial position, as these assets and liabilities are either of short-term maturities or are re-priced frequently based on market movement in interest rates.

	Carrying value	
	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
<b>Financial assets at amortised cost:</b>		
Cash and bank balances	143,900	129,785
Trade and other receivables - net (excluding prepayments, advances for long term lease and contract assets)	508,077	562,415
<b>Financial liabilities at amortised cost:</b>		
Loans and borrowings	594,174	429,868
Trade and other payables (excluding accruals, regulatory and industry fee, contract liabilities, and forward contract liability)	506,941	640,466
Lease Liabilities	441,216	471,395
<b>Financial liabilities at fair value:</b>		
Forward contract liability	2,188	-

### Fair value hierarchy

As at December 31, the Group held the following financial instruments measured at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that is not based on observable market data.

	Level 1	Level 2	Level 3	Total
30 June 2024	QR'000	QR'000	QR'000	QR'000
<i>Financial liabilities measured at fair value</i>				
Forward contract liability	-	2,188	-	2,188
31 December 2023				
<i>Financial liabilities measured at fair value</i>				
Forward contract liability	-	-	-	-



## 23 RELATED PARTY TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Group and companies controlled, jointly controlled or significantly influenced by those parties.

The transactions carried out with the related parties are presented below:

	Six months ended 30 June	
	2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
<b><i>Sales of goods and services:</i></b>		
Parent entity	6,707	7,165
Other related parties	3,539	23,770
	<u>10,246</u>	<u>30,935</u>
<b><i>Purchases of goods and services:</i></b>		
Other related parties	15,572	36,780

The following transactions were carried out with related parties:

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
	<b><i>Due from related parties:</i></b>	
Parent entity	7,166	5,196
Other related parties	1,765	11,232
	<u>8,931</u>	<u>16,428</u>
<b><i>Due to related parties:</i></b>		
Other related parties	12,603	12,639

### Compensation of key management personnel

Key management personnel include the Board of Directors, Managing Director, Chief Executive Officer (CEO) and the executives who directly report to the CEO. Compensation of key management personnel are as follows:

	Six months ended 30 June	
	2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Salaries and short-term benefits	20,739	24,994
Employees' end of service benefits	457	1,207
	<u>21,196</u>	<u>26,201</u>



## 24 DIVIDENDS

On 24 January 2024, the Board of Directors proposed a cash dividend of 11% of the nominal share value amounting to QR 465 million (QR 0.11 per share with nominal value of QR 1 each). The proposed dividend was subsequently approved by the shareholders during the Annual General Assembly held on 20 February 2024.

## 25 COMMITMENTS AND CONTINGENT LIABILITIES

### Commitments

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the interim condensed consolidated financial statements	<u>170,439</u>	<u>146,966</u>

### Contingent liabilities

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Performance bonds	<u>44,818</u>	<u>43,150</u>
Tender bonds	<u>1,903</u>	<u>3,463</u>
Credit and payment guarantee – third party indebtedness	<u>49,604</u>	<u>49,874</u>

## 26 SEGMENT INFORMATION

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance of the components. For the Group The functions of the CODM are performed by the Board of Directors of the Group.

The Group only operates in the State of Qatar and is therefore viewed to operate in one geographical area. The operating segments that are regularly reported to the CODM are Consumer and Enterprise & others. This is the measure reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six months period ended 30 June 2024

26 SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June			
	2024		2023	
	Consumer	Enterprise & others (Reviewed) QR'000	Consumer	Enterprise & others (Reviewed) QR'000
<b>Segment revenue</b>				
Timing of revenue recognition:				
Over time	815,978	611,924	796,678	608,335
Point in time	2,894	154,337	797	144,951
	<b>818,872</b>	<b>766,261</b>	<b>797,475</b>	<b>753,286</b>
		<b>1,427,902</b>		<b>1,405,013</b>
		<b>157,231</b>		<b>145,748</b>
		<b>1,585,133</b>		<b>1,550,761</b>
<b>Unallocated costs</b>				
Interconnection and other direct expenses		(517,096)		(523,092)
Network and other operational expenses		(238,639)		(242,674)
Employee salaries and benefits		(140,372)		(137,631)
Depreciation and amortisation expenses		(319,967)		(316,249)
Expected credit loss		(17,225)		(12,979)
Finance costs		(18,626)		(23,354)
Other financing costs		(14,511)		(14,878)
Other income		4,395		5,778
<b>Profit before tax related fees</b>		<b>323,092</b>		<b>285,682</b>
Tax related fees		(29,925)		(25,840)
<b>Profit for the period</b>		<b>293,167</b>		<b>259,842</b>

The Group's assets and liabilities have not been identified to any of the reportable segments as the majority of the operating fixed assets are fully integrated between segments. The Group believes that it is not practical to provide segment disclosure relating to total costs, assets, and liabilities since a meaningful segregation of available data is not feasible.



## 27 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these interim condensed consolidated financial statements.

### (i) New currently effective requirements

The Group has applied the following new and revised IFRS Accounting Standards that have been issued and are effective for annual periods beginning on or after 1 January 2024:

Effective date	New standards or amendments
1 January 2024	Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The application of these amendments had no material impact on the Group's interim condensed consolidated financial statements.

### (ii) New and revised standards and interpretations issued but not yet effective

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Group has not early adopted any of the forthcoming new or amended standards in preparing these interim condensed consolidated financial statements.

## 28 RECLASSIFICATIONS

The comparative amounts have been reclassified, where necessary, in order to confirm to the current year's presentation. Such reclassifications are not material and does not affect the previously reported net profits, net assets, equity or cash flows except for the following:

### Interim condensed consolidated statement of income for the year ended 30 June 2023

	Previous presentation	Reclassification	Current presentation
	QR'000	QR'000	QR'000
Industry fee <sup>(i)</sup>	(25,840)	25,840	-
Tax related fees	-	(25,840)	(25,840)

- (i) Pursuant to the operating licenses for Public Telecommunications Networks and Services granted by the Communications Regulatory Authority (CRA) in Qatar, the Company is required to fulfil an annual industry fee.



## 29 OFFSETTING

Financial assets and financial liabilities are offset, and the net amount presented in the interim condensed consolidated statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

As at the reporting date, the Group has presented financial assets net of financial liabilities, when they are subject to offsetting. Gross and net amounts presented in the interim condensed consolidated statement of financial position are as follows:

	<u>Gross amounts</u> QR'000	<u>Offsetting amounts</u> QR'000	<u>Net amounts</u> QR'000
<b>Current assets</b>			
<b>As at 30 June 2024 (reviewed)</b>			
Trade and other receivables	<u>509,922</u>	<u>(59,665)</u>	<u>450,257</u>
<b>As at 31 December 2023 (audited)</b>			
Trade and other receivables	<u>510,279</u>	<u>(66,305)</u>	<u>443,974</u>
	<u>Gross amounts</u> QR'000	<u>Offsetting amounts</u> QR'000	<u>Net amounts</u> QR'000
<b>Current liabilities</b>			
<b>As at 30 June 2024 (reviewed)</b>			
Trade and other payables	1,205,354	(29,488)	1,175,866
Lease liabilities	<u>206,562</u>	<u>(30,177)</u>	<u>176,385</u>
	<u>1,411,916</u>	<u>(59,665)</u>	<u>1,352,251</u>
<b>As at 31 December 2023 (audited)</b>			
Trade and other payables	1,375,936	(36,002)	1,339,934
Lease liabilities	<u>186,447</u>	<u>(30,303)</u>	<u>156,144</u>
	<u>1,562,383</u>	<u>(66,305)</u>	<u>1,496,078</u>