Annual Report 2022

WORLD'S
FASTEST
MOBILE
NETWORK

Based on analysis by Ookla®
of Speedtest Intelligence®
data for Q3-Q4 2022 in Qatar.

Together we can

In the Name of Allah, Most Gracious, Most Merciful

His Highness Sheikh Tamim bin Hamad Al-Thani

Amir of the State of Qatar

His Highness Sheikh Hamad bin Khalifa Al-Thani

The Father Amir

TABLE OF CONTENTS

Contents

Executive Summary

1

FROM OUR BOARD OF DIRECTORS

On behalf of its Board of Directors, I am pleased to present Vodafone Qatar's financial results and business performance for the year ending December 31st 2022.

2022 Overview

From the outset, 2022 promised to be an eventful year for both Vodafone Qatar and the country as a whole. Vodafone Qatar continued to support key events in Qatar and deepen important partnerships within the local business and community spheres, all whilst further embedding its new brand positioning – Together We Can – into its operations and communications with stakeholders at all levels through adapting to advanced technologies and empowering the human capability to use innovative solutions.

In 2022, by further expanding our growing IoT product portfolio we managed to successfully expand our product offering including the launch of our Asset Tracking and IoT Smart Tracker products, which support businesses and SMEs to operate efficiently. In our efforts to provide the right financial technology to a wider population, Vodafone Qatar has launched iPay: Qatar's first licensed e-wallet product that aims to encourage customers along their digital transformation journey.

Additionally, we continued to focus our efforts on the topic of sustainability, which we made the core of our operations. We have dedicated a lot of time and effort to finding advanced innovative ways to promote a more environmentally friendly lifestyle for our customers. The campaign we executed during the Ramadan period signified the next phase of Vodafone Qatar's push to promote greener lifestyles, sustainability, and recycling, in line with the Qatar National Vision 2030.

Moreover, in our effort to provide a unique digital experience for our customers during the world's largest sporting event, we launched our 'We Fan Together' campaign in a customised Vodafone Qatar Metaverse experience. The campaign was launched during an event that took place in Vodafone Qatar's newly opened experience store at Place Vendome mall.

Overall, Vodafone Qatar was able to continue its progress in developing and providing both consumers and businesses across Qatar with the cutting-edge technologies needed to improve their lives and digitally transform. We now look ahead to 2023, during which we will further build on our momentum and our position as a leader in Qatar's technology industry.

Financials

The Company reported an annual Net profit of QR 502 million, a 53.4% (or QR 175 million) increase compared to the previous year mainly driven by EBITDA growth.

Total revenue for the year increased 21.4% year-on-year to reach QR 3.1 billion, due to continued growth across all business segments including Prepaid, Postpaid, Fixed broadband services (GigaHome), Managed services, Internet of Things (IoT) and others. Service revenue grew by 17.3% to QR 2.6 billion, including the revenue from World Cup related services.

EBITDA increased to QR 1.2 billion reflecting strong growth of 19.7% compared to last year, positively impacted by the higher service revenue and the continued cost optimisation programme. EBITDA margin at 40.2% decreased by 0.6 ppts due to higher mix of low margin projects revenue. However, underlying EBITDA margin excluding equipment, projects and one-off benefits increased by 1.4 ppts year-on-year to reach 45.2%.

Total mobile customers reached 2.1 million representing growth of 8.9% YoY. In addition to this, 419 thousand Fan SIM cards were activated for World Cup 2022.

Based on Vodafone Qatar's commitment to enhance shareholder value and the strong financial performance, the Board of Directors have recommended the distribution of a cash dividend of 10% of the nominal share value, i.e. QR 0.10 per share, which will be presented at the Company's next Annual General Assembly for approval.

In addition, the Board of Directors have approved a dividend policy for the Company for a period of 2 years commencing FY2023 aiming for a dividend ranging between 8% to 10% of the share capital. The Board of Directors may change the dividend percentage after evaluating a range of factors including net profits, regulatory requirements and future investment opportunities.

Appreciation

On behalf of our Board of Directors, I would like to extend my greatest and sincerest expressions of gratitude to His Royal Highness Sheikh Tamim bin Hamad Al-Thani, the most venerable Emir of Qatar, as well as for His Royal Highness the Father Emir Sheikh Hamad bin Khalifa Al-Thani.

The Board of Directors would also like to express its gratitude and appreciation for the constant support provided by Qatar's regulatory authorities and governmental bodies, especially the Communications Regulatory Authority, the Ministry of Communications and Information Technology, the Ministry of Commerce and Industry, the Qatar Financial Markets Authority, and Qatar Stock Exchange.

We would also like to thank our Executive Management team for their exceptional leadership, and our employees, for their relentless efforts, unfaltering loyalty, and constant commitment to performing their duties and providing our clients with customer service of the highest quality.

Lastly, we cannot overstate how thankful and grateful we are to our customers and shareholders for their unwavering trust in Vodafone Qatar.

Abdulla Bin Nasser Al-Misnad
Chairman of the Board of Directors

Executive Summary

FROM OUR MANAGING DIRECTOR

2022 marked a historical turning point for Qatar which became the first Arab country to host what is currently regarded as the biggest sporting event in the world, and it did so with tremendous success despite of all the challenges and cultural barriers that needed to be overcome.

As a company deeply involved in all aspects of the country's technology and communications sector, it was also year of major milestones for Vodafone Qatar. The most notable of these was the launch of our national "We Fan Together" campaign, which leveraged the latest advancements in Virtual Reality (VR) technology to deliver a one-of-a-kind Metaverse experience. We Fan Together was a massive campaign that required us to partner with many important entities and personalities in the local market, it also enabled us to provide football fans from across the globe with a broad range of offers and services that demonstrated our country's ability to consistently deliver a world-class experience, even during the most resource-demanding of events. Case in point: through our relentless nationwide efforts, we ensured that fans were always able to access Wi-Fi on public transport and their own line of dedicated SIMs, to enjoy countless valuable offers and discounts and join our in-house digital 'Fan Academy', and benefit from many other activations and events to keep them entertained, connected and engaged throughout the tournament period.

Aside from our tournament-based activities, we also had the privilege of being involved in many high-profile events that tied to our three core corporate pillars of sustainability, sports and innovation including Project Qatar, Hospitality Qatar, AgriTech, Smart City Expo, Katara Int'l Arabian Horse Festival and Red Bull Neymar Jr´s Five World Finals 2022 along with HH The Amir Sward for Horse Jumping and Dressage. Our partnership with market leader Microsoft was another key milestone for us during the year, as the tech giant entrusted us with the role of Official Technology Provider for the launch of its Data Centre in Qatar, getting us directly involved in one of the biggest steps forward in recent times in the development of Qatar's digital capabilities.

Against the backdrop of mega sporting events, 2022 was a year of 'firsts' for Vodafone Qatar too as we launched Qatar's first ever licensed eWallet, iPay, and we spearheaded the first large-scale sustainability-focused event with our Ramadan campaign "Together We Can Renew and Rebuild".

It was also encouraging for us to receive the newest version of the ISO 22301:2019 international certification for Business Continuity Management Systems, which was awarded to us in recognition of our ability to sustain our business operations in spite of the extraordinary circumstances, disruptions and hurdles that we have all had to weather over the past few years. This award credits the resilience of our GigaNet network, the breadth of our range of services and the effectiveness of our direct response to the pandemic, all in line with our business continuity strategy.

All together, the year ended on a groundbreaking note. Together, we achieved the pinnacle of success, with Ookla awarding us the greatest honor of them all- the title of the World's Fastest Mobile Network.

Recent technological advancements and technology market trends make the stride from 2023 to 2030 seem extremely promising and exciting for investors, stakeholders and enthusiasts in the sector, and many experts agree that we're at the verge of revolutionising the way that man and machine interface with one another in the next couple of decades. As you embark with us on this journey full of many new possibilities, I want to thank you all, board members, shareholders, employees and customers, for your unwavering trust and continued support for Vodafone Qatar.

Sincerely,

Rashid Fahad Al-Naimi
Managing Director

1

FROM OUR CHIEF EXECUTIVE OFFICER

Esteemed shareholders,

As a business that was built in Qatar for Qatar, 2022 is a year we will never forget. It has been a privilege to witness first-hand the country's immense preparations for the most prestigious occasion in its recent history, and to see the delivery of an everlasting Qatari legacy.

Throughout the past year, we were able to observe the true transformational nature of sport, collaboration, and teamwork, and also how together we really can turn challenges into achievements. I'd like to congratulate the country for delivering such an incredible event.

Over the past year, we doubled down on our focus of moving away from celebrating individual achievements to recognising collective ones. Guided by our brand vision, we have continued to prioritise the role of human connection and the potential it has, when coupled with innovation and technology, to overcome the obstacles we all face.

We are proud of the progress we made this year, in partnership with many leading organisations across Qatar, to once again position ourselves at the leading edge of the technology industry, and build a sustainable and innovation-led future for our entire community.

Business Performance

The Transformation Strategy that we began to implement in 2018 is still in force to this day, and its effectiveness can be seen through the trend of constant growth that has continued throughout the past year.

Vodafone Qatar has successfully reported an annual net profit of QR 502 million, and its total service revenue grew by 17.3%.

On the back of these figures, Vodafone Qatar continues to build on the momentum it has successfully built and achieved.

We have managed to achieve this growth in spite of the headwinds we face within the telecommunications sector – both in Qatar and on an internationally. Bolstered by our recent successes, we are confident in our ability to continue implementing our strategy and driving responsible growth for our shareholders.

A new global benchmark: The World's Fastest Mobile Network

Our relentless pursuit of excellence paid off as we receive the highest honor in our industry, solidifying our position as a global leader in the field. According to the Ookla Speedtest Intelligence® analysis for Q3 and Q4 of 2022 we were announced the Fastest Mobile Network In The World

World Cup Campaign – We Fan Together

In light of the campaigns that benefited many brands owing to the positive impact of the FIFA World Cup Qatar 2022™, Vodafone Qatar has chosen to remain true to its brand identity, and continue to support human connection.

We made a promise to be the largest supporter of the fans, who play a key part in football's success. We believe that there is no better way to communicate with fans than to join them, and not merely act as a brand.

This is the core pillar of our We Fan Together campaign, which was mainly launched to help us grow ever-closer to our customer base. Capitalising on the passion of this sport's fans, we have built bridges across cultures, in a pursuit to enhance human bonds in the best way through community organisation, and our ability to work together to achieve one collective goal.

The tournament has been the ideal event to highlight our unique capabilities, as well as to underscore the importance of unity and playing with integrity and a spirit of fair competition.

The basis against which we launched our campaign was to highlight the role of technology in our daily lives, and showcase how it forms part of every aspect of our modern day lifestyles, in addition to providing a look at the evolution of how the relationship between man and machine will continue to develop in years to come.

The campaign was launched during an event that took place at Place Vendome mall, and in Vodafone Qatar's own specially customised Metaverse experience, in the presence of a large number of press correspondents and a group of social media influencers.

After the successful launch, where guests could learn more about our brand via VR headsets in our

Metaverse experience, we announced that fans attending the tournament could take part in many other interactive digital activities, and that we would provide free SIM cards with unlimited data to all Hayya Card holders. This step forms part of our commitment to our customers, and the strong attention we pay to the local community and the global one as a whole.

This all stems from our conviction that change can only be brought about collectively, contrary to the common belief that we have to drive change as individuals.

We at Vodafone Qatar firmly believe that good memories are a set of cherished and shared experiences, and so the campaign also included several events and activities that aimed to build and engage with the digital community, with the aim of giving fans an unforgettable tournament.

Sustainability

Within a global context, we increasingly see sustainability as one of the core concerns of populations worldwide. This is reflected in Vodafone Qatar's business strategy, in which sustainability is one of the three corporate pillars guiding our company and our operations. Vodafone Qatar is still firmly committed to supporting sustainability causes, and believes in the importance of preserving the planet for future generations.

We embody this belief through our partnerships and initiatives that contribute to the wider sustainability movement within Qatar, and we continue to provide the means and technologies necessary for the development of innovative solutions that can reshape our future.

This year, we launched a dedicated sustainability campaign as part of our annual Ramadan initiatives. 'Yes, We Can Renew and Rebuild' was the first time that Vodafone Qatar has launched such a large, sustainability-based campaign, and is also one of the first times that Qatar has seen such a focus on the topic on this scale. Residents of and visitors to Doha saw the city painted green through new installations that aimed to draw attention to the importance of sustainable living and recycling.

We also partnered with Seashore Recycling to tackle the problem of the high volume of food waste in Qatar by giving away free composting bins for recycling food during Ramadan. Through a partnership Vodafone Qatar gave away free Bio Box composting bins to encourage households to recycle their food waste during Ramadan and turn it into compost, which can then either be used at home or given to Agri-Qatar to use as fertilizer on crops.

Investment in Young Talent

In 2022, Vodafone Qatar made further strides towards investing in the development of youth in Qatar who want to build their careers in the telecommunications industry or another sector related to innovation. Not only is this important for those individuals who can realise their full potential, but also for the development of these sectors, which underpin the private sector and local economy.

Via our ongoing CSR programme, we took part in the first ever Qatar Foundation (QF) Alumni Reunion and Career Fair, to provide job opportunities to QF alumni, and share insights on youth development and the different career opportunities offered at Vodafone Qatar. We also partnered with the University of Doha for Science and Technology (UDST) in its career fair, in which we spoke to attendees and gave information on the Vodafone Qatar brand and our graduate programmes.

Vodafone Qatar is committed to developing the talents of Qatari youth by providing them with the knowledge and skills to help them progress on their journey throughout university education and into the job market. We are proud of the progress we have made in this area through our CSR initiatives, and continue to back this up with our internal training programmes and professional communications management training courses, all of which support the Qatar National Vision 2030 in its goal to create an economy built on sustainable knowledge.

Closing Statement

I would like to thank our Board of Directors, shareholders and clients for their ongoing trust in Vodafone Qatar. Their support means that together we can continue to promote and power the digital transformation of businesses, lifestyles, and our country as a whole. This could not be done without the dedication of our team members, who work tirelessly to further the causes that lie so close to our hearts, specifically regarding innovation, sports, and sustainability. Their efforts, during what has been the most momentous year for Qatar have not gone unnoticed and will propel us to further success in 2023 and beyond.

Vodafone Qatar's initiatives and current projects will achieve very valuable returns over the next few years, especially in light of the continuous growth and expansion of our market share and our 5G network coverage. This will provide a variety of opportunities for us to further innovative areas such as IoT and AI.

We also strive to find appropriate ways to encourage advanced technologies by taking advantage of any opportunity that allows us to go beyond and apply influence on all levels, locally, regionally, and internationally.

Vodafone Qatar relies on a very precise approach that highlights it's a positive outlook on the local market. Therefore, our shareholders and partners can expect positive returns due to their investments with Vodafone over the coming years.

Kindly accept our utmost respect,

Hamad Abdulla Al-Thani
Chief Executive Officer

WHO WE ARE

Vodafone Qatar offers a comprehensive range of services that include voice, messaging, data, fixed communications, Internet of Things, and ICT managed services for both consumers and businesses in Qatar. The Company began commercial operations in 2009 and is serving 2.1 million mobile customers as of 31 December 2022. In addition to this, 419 thousand Fan Sim cards were activated for World Cup 2022.

A key driver of innovation in the telecommunications market, Vodafone Qatar is leading the way as one of the first operators in the world to go live with commercial 5G services and provide customers with a suite of 5G products and services. This monumental achievement comes as a result of the Company's rapid progress in rolling out its 5G network across the country since August 2018.

Vodafone Qatar is also accelerating the growth of its fixed network infrastructure and providing the technological backbone and communications ecosystem for many of Qatar's most recent iconic developments.

With a strong commitment to developing the digital infrastructure that will contribute towards establishing Qatar's long-term growth and prosperity while also enhancing the quality of life of its citizens, Vodafone Qatar's relationship with the community it operates in extends well beyond the products and services it provides. Over the years, the Company's social investments have been aligned with its purpose of connecting the people of Qatar and supporting them in their journey towards a better future, by building a digital technology-based society that focuses on promoting socioeconomic progress, fosters inclusivity, and prioritizes the safety and sustainability of the planet and the environment.

With over 27,000 institutional and retail shareholders, Vodafone Qatar is 91% Qatari-owned. This figure includes the 45% of shares owned by Vodafone and the Qatar Foundation LLC. As a member of the Qatar Stock Exchange, Vodafone Qatar also has a paid-up capital of QR 4.227 billion.

The Company's vision for the future is deeply rooted in its mission to celebrate how, despite the challenges, technology and human spirit have allowed businesses and societies to move forward, adapt, learn new skills and adopt new ways of communicating, learning and operating. Vodafone Qatar lives out its 'Together We Can' brand position through its profound belief that the partnership between technology and society can build a better future for everyone, and contributing towards Qatar's National Vision 2030.

VODAFONE QATAR'S HISTORIC MILESTONES

2007

- Vodafone and the Qatar Foundation Consortium are named as the successful applicant in the auction for the second mobile license in the State of Qatar

2008

- The Vodafone and Qatar Foundation Consortium announced as the winning applicant of the Second Public Fixed Networks and Services Licence in the State of Qatar

2009

- Vodafone Qatar Switches on its mobile network
- Vodafone Qatar's IPO opens and raises 1$ billion, making it the largest IPO in the world during the subscription period in 2009
- Vodafone Qatar is listed on the Qatar Stock Exchange
- Vodafone Qatar opens its first retail store at the Landmark Mall

2010

- Vodafone Qatar receives its Fixed Services License
- Vodafone Qatar opens its first handset service centre
- Vodafone Qatar mobile customer base reaches 500,000

2011

- Vodafone Qatar launches Machine to Machine Business Services
- Vodafone Qatar named 'Best Call Centre' at the Middle East Call Centre Awards

2012

Fibre

- Vodafone Qatar launches fibre-based consumer and enterprise fixed-line services commercially
- Vodafone Qatar introduces the country's first smart recharge card
- Vodafone Qatar expands its retail footprint to reach 22 outlets

2013

- Vodafone Qatar achieves 1 million customers milestone
- The Vodafone Qatar Passport Pack is introduced for the country's best roaming rates
- Vodafone Qatar becomes the first company in Qatar to offer Secure Device Management to help businesses better protect their company data

2014

4G

- Vodafone Qatar launches 4G services and the first 4G service while roaming
- Vodafone Qatar is the first certified company in Qatar and the first telecom company in the world to obtain the ISO 27001:2013

1

2015

- Vodafone Qatar launches its 4G+ network
- Vodafone Qatar named 'Best Telecom Company' at the Arabian Business Awards

2016

- The power of the Vodafone international network comes to Qatar with the launch of the Vodafone Global IoT Platform
- Vodafone Qatar commences deployment of hybrid power systems across their sites to reduce its carbon footprint

2017

- Qatar Rail signs MoU with Vodafone Qatar to provide Doha Metro's Green and Gold Lines with world-class telecommunications services
- Vodafone Qatar is re-certified the prestigious ISO 27001:2013, demonstrating the strength of the company's information security management systems and operations.
- Vodafone Qatar launches its fleet management service

2018

- The Board of Vodafone Qatar announces a number of company changes that re-sets it for the future including the sale of Vodafone Group's equity stake, the extension of its mobile license, and a capital reduction to extinguish the historical losses and deliver long term growth potential
- Vodafone Qatar launches its 5G Network
- Vodafone Qatar pioneers e-SIM technology in the region

2019

- Vodafone Qatar re-brands its world-class network technology (4G+, 5G & Fibre) to GigaNet.
- Vodafone Qatar launches GigaHome in continuation of their leadership in innovative digital solutions for the home.
- Vodafone Qatar GigaTV launches for premium entertainment for the entire family
- Vodafone Qatar unveils reach of its 5G network to cover more than 70% of the capital city Doha and launches the country's first 5G plans.
- Vodafone Qatar launches first Narrowband-IoT (NB-IoT) Network nationwide
- Vodafone Qatar breaks new boundaries with the Region's first 5G holographic call
- Vodafone Qatar is the first in the country to offer 5G roaming

2020

- Vodafone Qatar launches VoLTE – or Voice over LTE – enabling simultaneous use of voice and data over the 4G+ network
- Vodafone Qatar's fibre footprint reaches more than 25 key areas across the country
- Vodafone Qatar's fully managed Wi-Fi service adopted by Qatar Rail to provide passengers on the Doha Metro with public Wi-Fi access in all stations and onboard the trains.
- Qatar General Electricity & Water Corporation (KAHRAMAA) and Vodafone Qatar partner to roll out 600,000 smart meters powered by the Internet of Things nationwide.
- Vodafone Qatar and Qatar National Tourism Council sign a Memorandum of Understanding for the implementation of Vodafone's Big Data & Advanced Analytics solution to accelerate the country's goal of being a world-class tourist destination.

2021

- Together We Can Rebrand
- Vodafone Qatar launches Push-To-Talk Plus for instant voice, video and text communication
- Vodafone Qatar unveils an enhanced GigaNet network
- Vodafone Qatar launches an enhanced IoT Fleet Management Solution
- Vodafone Qatar wins two awards at MMA Smarties MENA 2020
- Vodafone Qatar introduces Labeeb, one of the first AI powered chatbots in Qatar
- Vodafone Qatar listed among the 10 Best Workplaces in Qatar by Linkedin

2022

- Vodafone Qatar is announced The Fastest Mobile Network in the World, according to the Ookla Speedtest Intelligence® analysis for Q3 and Q4 of 2022.
- Vodafone Qatar and Microsoft further strengthen strategic partnership to provide digital transformation solutions to businesses in Qatar
- Vodafone Qatar awarded newest ISO certificate for business continuity
- Vodafone Qatar launches Wi-Fi Guarantee for Gigahome Internet Services
- Vodafone Qatar paints Doha green in Ramadan Sustainability Campaign
- Vodafone Qatar launches new IoT Asset Tracking solution to maximise efficiency of business operations
- Vodafone Qatar launches first IoT tracker for consumers in Qatar
- Vodafone Qatar granted first license for electronic payment services through iPay
- Vodafone Qatar introduces iPay, the first licensed wallet by Qatar Central Bank

NUMBERS ACHIEVED DURING THE WORLD CUP

Together we delivered through our network of fans

Tournament summary

ATTENDANCE

3.4 Million

1Million ACTIVE ROAMERS IN COUNTRY

VOICE

15.0 Million Calls

99.92% CALL SETUP SUCCESS RATE

0.09% CALL DROP RATE

DATA

1,188 GSM TB

5G 37% SHARE @ 707Mbps

328 TB

Data consumed on public transportation

ROBUST FACILITIES

365+ ENGINEERS & EXPERTS

8,466 ANTENNAE

Data and voice usage in the stadiums

Championing digital customer experiences

85%
of customers successfully completed digital registration while activating their SIM

69%
of customer preferred eSIM activation via digital, and overall

>50%
recharges done via digital

Total **0.5M**
App downloads

Roaming

TOTAL ROAMERS	ROAMING COUNTRIES	ROAMING DATA
1.8M	194	854 TB
ROAMING CALLS	**PARTNER NETWORKS**	**NETWORKS ON 5G ROAMING**
3.9M	618	109

Roaming usage across the country

Fan sims

SIM

419,487

Traffic at stadiums

1 Lusail Stadium	305TB	3.35M calls
2 Al Bayt Stadium	132TB	2.13M calls
3 Khalifa Stadium	192TB	2.43M calls
4 Al Thumama Stadium	186TB	2.09M calls
5 Education City Stadium	94TB	1.27M calls
6 Stadium 974	91TB	1.38M calls
7 Ahmad Bin Ali Stadium	99TB	1.03M calls
8 Al Janoub Stadium	88TB	1.34M calls

Final match stats

MOBILE DATA

45.8 TB

32.7 TB in stadium (Incl Lusail Boulevard)

VOICE CALL

946K

492K in stadium (Incl Lusail Boulevard)

ROAMERS IN AUDIENCE

57K

Public transportation

4000
Buses connected with Wi-Fi

1000
Taxis connected with Wi-Fi

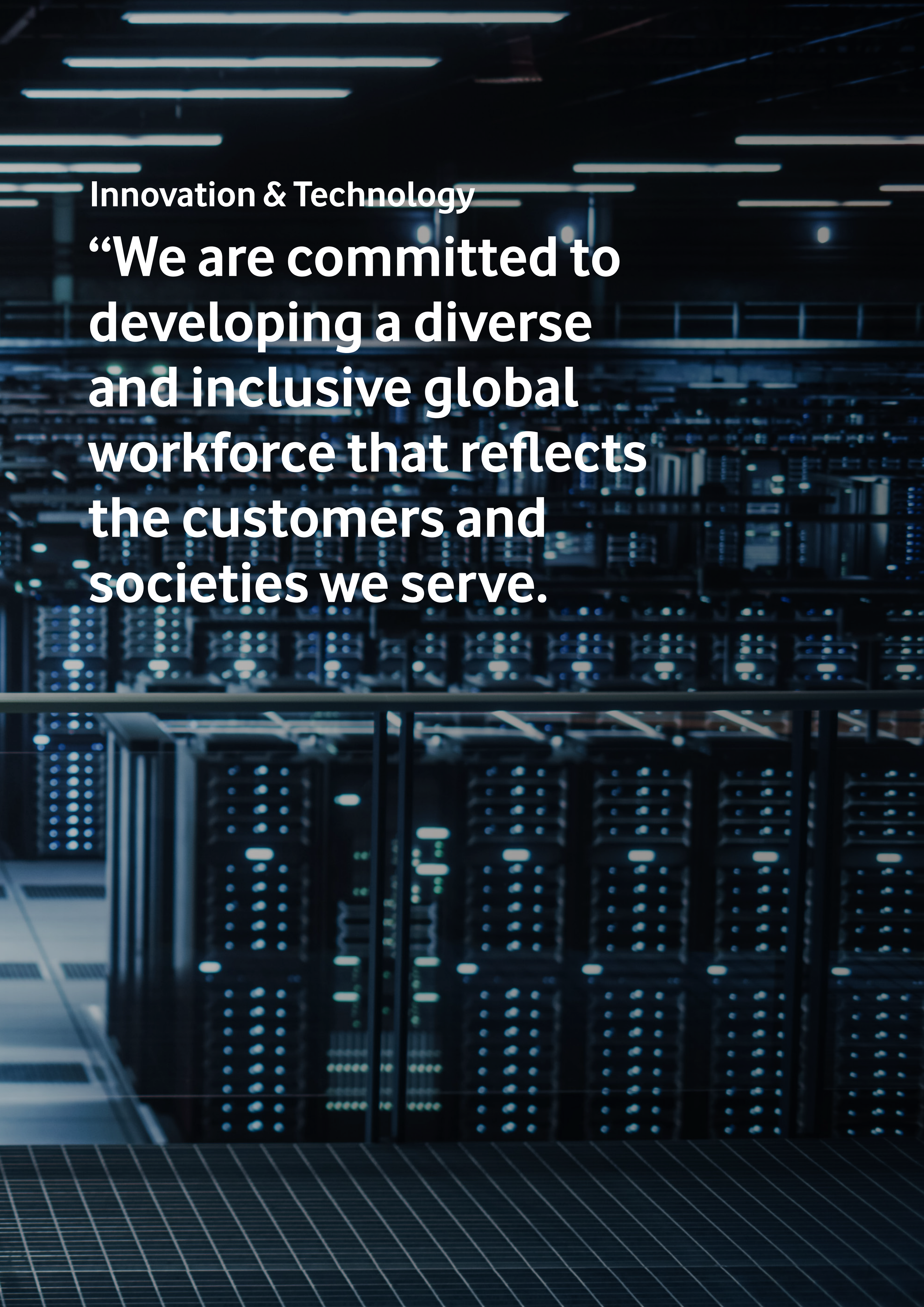
100% Entire metro network connected with Wi-Fi

328 TB
Data consumed on public transportation

2.38 Million
Public Wi-Fi sessions during the tournament on Qatar Rail and Mowasalat public transportation

Innovation & Technology

"We are committed to developing a diverse and inclusive global workforce that reflects the customers and societies we serve.



WORLD'S FASTEST MOBILE NETWORK

Based on analysis by Ookla®
of Speedtest Intelligence®
data for Q3-Q4 2022 in Qatar.

Corporate Governance Report

2

Corporate Governance Report for the Financial Year ended 31 December 2022

1. INTRODUCTION

Dear Shareholders,

I am pleased to present the Vodafone Qatar P.Q.S.C. ("Vodafone Qatar'"; "Vodafone" or the "Company") Corporate Governance Report for the financial year ended on December 31st 2022. The Corporate Governance Report is intended to provide shareholders with a summary of the Company's governance policies and practices and an overview of how the Company has adhered to the main principles and requirements of the Qatar Financial Markets Authority ("QFMA") and in particular, the Governance Code for Companies and Legal Entities listed on the Main Market, issued by QFMA Board Decision No. (5) of 2016 (the "QFMA Corporate Governance Code").

The Board of Directors of the Company (the "Board") is committed to maintaining high standards of corporate governance aligned with the needs of the company and the interests of all our stakeholders, and ensuring that values, attitudes and behaviors are consistent across the business. The Board believes that effective and robust corporate governance is essential to protecting shareholder value, delivering sustainable growth and ensuring that the Company operates in a responsible and transparent manner.

Over the past year, the Board has continued to evolve its corporate governance framework to ensure that the highest standards and best practices of corporate governance are applied across all business functions and operations and, in particular, to continue to implement the requirements of the QFMA Corporate Governance Code to ensure transparency and to maintain investors' trust. At Vodafone Qatar, there is an expectation for all Board members, Executive Management members, leadership team members, staff and suppliers to act with honesty, integrity and fairness in all of their dealings and to demonstrate the principles of transparency, responsibility, justice and equality as set out in the QFMA Corporate Governance Code.

The Board acknowledges its responsibility to oversee the management of the Company and we are confident that the Board and the Executive Management team of Vodafone Qatar have appropriate and sufficiently robust governance policies and procedures in place to ensure that the Company operates in the best interests of its shareholders.

Abdulla Bin Nasser Al Misnad
Chairman

2. COMPLIANCE WITH THE APPLICABLE QFMA LAWS AND RELEVANT LEGISLATIONS

Vodafone Qatar has not been subject to any sanctions or financial penalties imposed by the QFMA in 2022 for non-compliance with any provisions of the QFMA laws and relevant legislations. Vodafone Qatar confirms that it is compliant with the provisions of the applicable QFMA laws and relevant legislations including the QFMA Corporate Governance Code.

Vodafone Qatar has endeavoured and continues to take steps to align its policies and practices with the requirements of the QFMA Corporate Governance Code as well as international best practice governance principles.

3. BOARD OF DIRECTORS

3.1 Role of the Board of Directors

The Board is responsible for approving the overall business strategy of Vodafone Qatar and for ensuring that a high standard of governance is adhered to throughout the business. The Board:

(a) has ultimate responsibility for the management, direction and performance of Vodafone Qatar;

(b) is required to exercise sound and objective judgement on all corporate matters independent from executive management;

(c) is accountable to shareholders for the proper conduction of business; and

(d) is responsible for ensuring the effectiveness of, and the reporting on, the Company's system of corporate governance.

Vodafone Qatar's Board Charter (which complies with Article (8) of the QFMA Corporate Governance Code) provides more details of the Board's duties, functions and responsibilities as well as the obligations of individual Board members is available online (www.vodafone.qa).

3.2 Board Composition

the Annual General Assembly (the "AGA") of shareholders held on 28 February 2022 re-elected three of the existing Board members of the Company as Independent Board members to the Company's Board and Vodafone and Qatar Foundation LLC approved the re-appointment of four of the existing Board members for a maximum term of three (3) years commencing from the date of the AGA. The current Board of Directors as of 31 December 2022 comprises seven (7) members as detailed below.

Name	Position	Original Dates Elected/Appointed (Full Board re-elected/ re-appointed on 28 February 2022)	Representing
H.E. Mr. Abdulla Bin Nasser Al Misnad	Chairman Independent Non-Executive	25/07/2016	All shareholders
H.E. Mr. Akbar Al Baker	Vice-Chairman Independent Non-Executive	25/07/2016	All shareholders
Mr. Rashid Fahad Al-Naimi	Non-Independent Executive (Managing Director)	23/06/2008	Vodafone and Qatar Foundation LLC
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	Independent Non-Executive	29/03/2018	All shareholders
H.E. Sheikh Saoud Abdul Rahman H.A Al-Thani	Non-Independent Non-Executive	29/03/2018	Vodafone and Qatar Foundation LLC
Mr. Nasser Jaralla Al-Marri	Non-Independent Non-Executive	25/07/2016	Vodafone and Qatar Foundation LLC
Mr. Nasser Hassan Al-Naimi	Non-Independent Non-Executive	07/11/2016	Vodafone and Qatar Foundation LLC

The members of the Board of Directors are qualified with sufficient knowledge and satisfy the conditions for Board membership as set out in Article (5) of the QFMA Corporate Governance Code. In compliance with Article (6) of the QFMA Corporate Governance Code, a third of the Board is composed of independent members and the majority is composed of non-executive Board members.

The Commercial Companies law No (11) of 2015 and its amendments (the "Commercial Companies Law") exempts independent Board members and representatives of the Government entities from the provision of submitting guarantee shares for their membership.

In Vodafone Qatar, three (3) of the Company's Board members are independent and four (4) of them are appointed by Vodafone and Qatar Foundation LLC wholly owned by Qatar Foundation for Education, Science and Community Development.

3.3 Biography of Board Members

H.E. Mr. Abdulla Bin Nasser Al Misnad

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 6,827,122 shares

Mr. Abdulla Al Misnad is the Chairman of the Al Misnad Company having its roots in the private sector business since the 1950's.

Mr. Abdulla Al Misnad is a prominent and active businessman in Qatar who is the Founder and Chairman of the Board of Qatari Investors Group, a publicly listed share holding company.

The following are some of the positions presently held by Mr. Al Misnad:

- Al Misnad LLC – Chairman
- Qatari Investors Group – Chairman
- Masraf Al Rayan – Board Member

H.E. Mr. Akbar Al Baker

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

As Qatar Airways Group's CEO, H.E. Mr. Akbar Al Baker, is one of the most recognisable figures in the global aviation industry. His vision and commitment enabled the ground-breaking development of Qatar Airways from a small regional carrier into one of the world's leading global airlines in the span of just 25 years, most recently steering the airline through the COVID-19 pandemic where it became the largest carrier in the world.

H.E. Mr. Al Baker is a successful businessman in Doha and beyond, serving as CEO of several divisions of Qatar's national airline – including Qatar Executive, Hamad International Airport, Qatar Aviation Services, Qatar Aircraft Catering Company, Qatar Distribution Company, Qatar Duty Free and Internal Media Services, to name a few.

In 2019, H.E. Mr. Al Baker was also appointed Secretary-General of Qatar's National Tourism Council, now Qatar Tourism – where he serves as Chairman. H.E. Mr. Al Baker is also the Chairman of the Governing Board of the oneworld® Alliance, a member of the Board of Governors of the International Air Transport Association (IATA) since 2012 where he served as Chairman (2018 – 2019), and a member of the Executive Committee of the Arab Air Carriers Organisation (AACO) since 2011 where he also served as Chairman (2013-2016).

Born in Doha, he holds a private pilot license, is a graduate in Economics and Commerce and worked at various levels in the Civil Aviation Directorate before being tasked with creating the world's best airline in 1997, now evident through its award-winning track record including being the only airline to have been awarded the coveted "Skytrax Airline of the Year" title seventh times.

Education

- BA, Economics and Commerce

Mr. Rashid Fahad Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 600,000 shares

As the CEO of QF Endowment – a wholly owned subsidiary of Qatar Foundation for Education, Science and Community Development, Mr. Rashid Al-Naimi is responsible for investment portfolios and long-term investment policies. He is the residing Chairman of Siemens Energy and Mater Olbia Hospital, Managing Director of Vodafone Qatar and a Board Member representing Qatar Foundation across a number of companies, including Vodafone Qatar and Siemens Qatar.

Mr. Al-Naimi has an outstanding record of delivering successful restructurings that continuously improve shareholder value. In 2015, he was honoured by the Arab Economic Forum with the"Achievement in Leadership Award". Prior to joining the Qatar Foundation, Mr. Al-Naimi was the Manager of Human Resources for RasGas Company Limited.

Education

- MBA – University of Oxford (United Kingdom)
- BSc, Economics – Indiana State University (United States)

H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Sheikh Hamad Bin Faisal Al-Thani is widely known in the region and regarded as one of Qatar's most influential business figures. In addition to his post as Board member of Vodafone Qatar, Sheikh Hamad currently holds the following positions:

- Vice Chairman and Chairman of Board Executive Committee – Masraf Al Rayan
- Vice Chairman - Qatari Investors Group
- Board Member - Qatari Businessmen Association
- Board Member - Qatar Insurance Company (QIC)

Previously, he was the Minister of Economy and Commerce of Qatar and the Vice Chairman of Qatar National Bank (QNB). Other senior roles include Chairman of Qatar General Organization for Standard and Metrology, member of Supreme Council for Economic Affairs and Investment, Director of Customs Department and Heir Apparent Office, Diwan Al Amiri.

Education

- Bachelor, Political Science

H.E. Sheikh Saoud Abdul Rahman Hassan Al-Thani

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

In addition to his post as Board member of Vodafone Qatar, H.E. Sheikh Saoud Al-Thani currently holds the position of Vice-Chairman and Managing Director of Qatar Solar Technologies (QSTec), a polysilicon manufacturing company that is headquartered in Doha, Qatar and a Board member of Qatar Solar (QS). He is also Chairman of the Board for Gulf Bridge International (GBI), a British Virgin Islands company that manage and operate privately owned submarines fiber optics network.

Sheikh Saoud is an accomplished leader in energy investments who has successfully built up an extensive portfolio of companies for leading organizations including Qatar Fuels (WOQOD) and Qatar Petroleum International (QPI).

In his previous role as Chairman of Qatar Fuels (WOQOD), Sheikh Saoud oversaw the organization's rapid growth in distribution centers, inspection stations, the creation of new revenue streams, advanced payment systems and the accelerated inauguration of Q-Jet's new aviation fuel facilities in Hamad International Airport.

Sheikh Saoud is also a Petroleum Engineer whose energy career has spanned over 20 years, with more than 10 of these years in senior leadership roles around the world. Prior to joining Qatar Fuels, he was the Executive Director of Gas and Power for Qatar Petroleum International, where he led the identification, evaluation, management and negotiation of QPI's gas and power acquisitions and investments. Sheikh Saoud Al-Thani has an outstanding record in optimizing organizations, teams and investments to create new opportunities that increase shareholder value.

Sheikh Saoud is a regular keynote speaker at energy conferences around the world and has led numerous international Qatari delegations on oil and gas investment. His ability to work in complex organizations and with tight deadlines has led to him holding a number of Chairman and Board Member and positions for numerous energy, steel and education organizations.

Sheikh Saoud is a firm believer in the value of continuing education and research and is passionate about enabling people and organizations to maximize their full potential.

Education

- Executive MBA, University of Reading's Henley Business School (United Kingdom)
- BSc, Petroleum Engineering – King Fahd University of Petroleum and Minerals (Saudi Arabia)

Mr. Nasser Jaralla Al-Marri

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Mr. Nasser Jaralla Al Marri has served as Chairman of the Financial Affairs Authority at the General Headquarters of the Qatar Armed Forces/ Ministry of Defence since 2016, after spending many years in leading roles across the government such as Chief Financial Officer of Marafeq Qatar/ Qatari Diar, Director of Business Development and Investment Promotion in the Ministry of Economy and Commerce, and Director of Administration and Finance in the Ministry of Economy and Commerce.

Other roles he occupied include serving as an Administration and Finance Director for the Qatar National Food Security Programme and National Human Rights Committee. He was Vice Chairman of Qatar Steel International Company and a Board Member of Qatar Mining Company. Today, Mr. Al Marri serves as a Board Member of Masraf Al Rayan Bank and United Development Company (UDC).

Education

- MSc, Financial Science and Accounting – Southampton University (United Kingdom)
- BA, Accounting – Qatar University (Qatar)

Mr. Nasser Hassan Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Mr. Nasser Hassan Al-Naimi is currently the President and Executive Board Member of Barzan Holdings, a company established and fully-owned by the Qatar Ministry of Defence to strengthen Qatar's sovereignty and support the long-term development of R&D, knowledge transfer, human capital and empowering the military capabilities of the Qatari Armed Forces.

Mr. Al-Naimi joined the Ministry of Defence, MoD, as an Officer in 2013 and shortly afterwards was promoted to Head for the Local Investment Division until 2016 when he was appointed as Chief of Investment Office for the Qatar Armed Forced, QAF.

Education

- MA, Strategic Management – Plymouth University (United Kingdom)
- BSc, Business Management– Plymouth University (United Kingdom)

3.4 Combination of Positions

Each Board member has provided the renewed annual written acknowledgment to the Company Secretary confirming that he does not and shall not combine board membership positions in a manner that would breach the requirements of the QFMA Corporate Governance Code.

3.5 Board Meetings

Article 36 of Vodafone Qatar's Articles of Association requires the Board of Directors to meet at least six (6) times per year and that no more than three (3) months shall go by without the Board holding a meeting. This is in line with the requirement set out under Article (14) of the QFMA Corporate Governance Code. Vodafone Qatar held a total of seven (7) meetings during the financial year ended on December 31st 2022, as indicated in the table below.

Board Members / Dates of Board Meeting	Attendance						
	2 February 2022 (Approval of Year-End financial results)	10 March 2022 (Election of Chairman)	26 April 2022 (Approval of first quarter financial results)	14 June 2022 (Business update)	9 August 2022 (Approval of second quarter financial results)	25 October 2022 (Approval of third quarter financial results)	6 December 2022 (Approval of 2023 Budget)
H.E. Mr. Abdulla Bin Nasser Al Misnad	√	√	√	√	√	√	√
H.E. Mr. Akbar Al Baker	√	√	√	√	√	√	√
Mr. Rashid Fahad Al-Naimi	√	√	√	√	√	√	√
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	√	√	√	√	√	√	√
H.E. Sheikh Saoud Abdul Rahman H.A Al-Thani	√	√	√	√	√	√	√
Mr. Nasser Jaralla Saeed Al-Marri	√	√	√	√	√	√	√
Mr. Nasser Hassan Al-Naimi	√	√	√	√	√	√	√

Board meetings are structured in a way that facilitates open discussions among Directors, and encourages their participation in matters related to strategy, trading and financial performance, governance and risk management. All substantive agenda items are accompanied by comprehensive supporting briefing material, which is circulated to all Directors in advance of each meeting.

Directors who are unable to attend a particular Board meeting due to other commitments are provided with all the information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman and/or the Chief Executive Officer, and may elect to appoint a proxy for voting purposes.

3.6 Board Performance and Achievements

Please refer to the Executive Summary in the Company's Annual Report for a summary of the key achievements delivered by the Board and Executive Management during the financial year ended on December 31st 2022.

In addition, the 2022 annual self-assessment exercise for the performance of the Board and its Sub-Committees was conducted in accordance with a specific evaluation questionnaire set by the Board. The self-assessment exercise took into consideration the key components of the Board's composition and responsibilities, including the Board's structure, access to and presentation of information, its various internal dynamics and the contributions of its members, its key responsibilities, its relationship with Executive Management and the performance of its Sub-Committees.

The Nomination Committee has reviewed the outcome of the Board's self-assessment and submitted a report to the Board evaluating the overall performance of the Board and its Sub-Committees for the last financial year in accordance with the requirements of the QFMA Corporate Governance Code. The evaluation concluded that the procedures and dynamics of the Board and its Sub-Committees are functioning properly and there is no major area of concerns in this regard. The Board adopted and approved the report taking into consideration the suggested enhancement of certain aspects of the Board's functions and operations, in order to improve its effectiveness and governance practices.

3.7 Board Remuneration

In accordance with the provisions and the requirements of Commercial Companies Law and the QFMA Corporate Governance Code, Board remuneration shall not exceed 5% of the Company's net profit after deduction of reserves and legal deductions and the distribution of dividends of not less than 5% of the Company's share capital to shareholders.

the Board recommended the payment of remuneration to Board members in recognition of their achievements during the financial year ended on December 31st 2022. The total remuneration proposed to the Board for the financial year ended on December 31st 2022 is referred to in note 25 of the Company's financial statements at that date, which are included in the Company's Annual Report. The Financial Statements are pending the endorsement of the AGA.

3.8 Learning and Development

Vodafone Qatar keeps the Board Members fully updated and appraised of all relevant information, requirements, rules and regulations relating to general corporate governance, legal, financial business, industry practices and Company's operations through continuous updates provided to the Board Members during the Board meetings and Audit Committee meetings. It should be noted that the majority of the Company's Board members are widely known personalities in the region, in addition to their current positions and previous experience as Board Members in other listed companies.

The Board continued to take the necessary steps to fully align its policies and practices with the requirements of the QFMA Corporate Governance Code as well as the international best practice governance principles.

Furthermore, the Board approved a Board of Directors training policy that sets procedures for orienting the new members of the Board to enable them to discharge their duties and responsibilities effectively as per the applicable laws and regulations, and for training the whole Board when necessary.

At the level of executive management and employees, the Company has a learning and development policy that enables Vodafone Qatar staff to develop the necessary skills, knowledge, and behaviours to deliver the Company's business objectives and to uphold the code of conduct and the Vodafone Qatar Way of conducting business. Vodafone Qatar has a dedicated Learning and Development unit within the Human Resources department in charge of managing the training programs throughout the year.

3.9 Independent Advice

The Board recognises that there may be occasions where one or more of the Directors consider it necessary to seek independent legal and/or financial advice at the Company's expense. Independent legal and/or financial advice is sought by the Board as, and when, it is considered appropriate. The Board sought no independent legal and / or financial advice during the financial year ended on December 31st 2022.

3.10 Division of Responsibilities

Vodafone Qatar maintains a clear separation between the roles of the Chairman, Managing Director and Chief Executive Officer with a clear division of responsibilities as follows:

(a) The Chairman is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness;

(b) The Managing Director is responsible for providing leadership and direction the Executive Management team in respect of the Company's overall strategic management and acting as the principal point of contact and liaison between the Chief Executive Officer and the Board in respect of strategic and operational matters; and

(c) The Chief Executive Officer is responsible for the management of the business, implementation of the Company's policy and overall creation, implementation, and integrations of the strategic, financial, commercial and operational direction of the Company.

4. BOARD COMMITTEES

Vodafone Qatar currently has an Audit Committee, a Remuneration Committee and a Nomination Committee, each of which operates in accordance with specific and detailed Terms of Reference approved by the Board. The Terms of Reference for each committee are available online (www.vodafone.qa).

4.1 Audit Committee

The membership of the Audit Committee of Vodafone Qatar was re-constituted following the Company's Board election at the AGA of the Company held on 28 February 2022. The Audit Committee of Vodafone Qatar currently consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee:

Board Member	Position	Board Member Type
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	Chairperson	Independent and Non-Executive
H.E. Mr. Akbar Al Baker	Member	Independent and Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Non-Independent and Executive

Article 18.3 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three (3) members, the majority of whom should be independent and the Chairman shall be independent. Vodafone Qatar's Audit Committee currently comprises of three (3) members, two (2) of whom are independent Board members.

The Audit Committee responsibilities include:

(a) Preparing and presenting to the Board a proposed internal control system for the Company upon constitution, and conducting periodic audits whenever necessary;

(b) Setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work;

(c) Overseeing the Company's internal controls following review by the External Auditors to ensure compliance with the implementation of the best International Standards on Auditing (ISA) and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS) and ISA and their requirements;

(d) Overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports;

(e) Considering, reviewing and following up the External Auditor's reports and notes on the Company's financial statements;

(f) Reviewing the disclosed numbers, data and financial statements and relevant company information submitted to the general assembly to ensure accuracy and completeness;

(g) Facilitating co-ordination between the Board and Senior Executive Management to ensure there is full alignment on the effectiveness of the internal controls of the Company;

(h) Reviewing the systems of financial and internal control and risk management;

(i) Conducting investigations into any financial control matters requested by the Board;

(j) Co-ordinating between the Internal Audit unit in the Company and the External Auditor;

(k) Reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board in this regard;

(l) Reviewing the Company's dealings with related parties (if applicable), and making sure that any such dealings are subject to and comply with the relevant controls;

(m) Developing and reviewing the Company's policies on risk management on a regular baiss, taking into account the Company's business, market changes, investment trends and expansion plans;

(n) Supervising the training programmes on risk management prepared by the Company and the relevant business stakeholders;

(o) Preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the request of the Board and / or the Chairman;

(p) Implementing the instructions of the Board and relevant Sub-Committees regarding the Company's Internal Controls;

(q) Engaging with the External Auditor and Senior Executive Management regarding risk audits with a focus on the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report;

(r) Assessing the Company's processes to comply with governance requirements with regard to applicable laws, regulations, Code of Business Conduct and Ethics;

(s) Reviewing and monitoring the procedures by which the Company complies with the governance requirements in respect of: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential and anonymous employee concern submissions regarding questionable accounting or auditing matters;

(t) Reviewing reports and disclosures of significant conflicts of interest; and

(u) Overseeing the activity and credentials of the Company's Internal Auditors, including the review of the Internal Audit Terms of Reference, plans, resource requirements, staffing and organizational structure, ensuring consistency and compliance with the Vodafone Internal Audit methodology and approach.

Article 19 of the QFMA Corporate Governance Code requires the Audit Committee of a listed company to meet at least six (6) times per year. During the year 2022, the Audit Committee met on six (6) occasions as follows:

Committee Members / Dates of Audit Committee Meeting	Attendance					
	2 February 2022 (Before Audit Committee Reconstitution)	26 April 2022	14 June 2022	9 August 2022	25 October 2022	6 December 2022
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	√	√	√	√	√	√
H.E. Mr. Akbar Al Baker	N/A	√	√	√	√	√
Mr. Rashid Fahad Al -Naimi	√	√	√	√	√	√
H.E. Sheikh Saoud Abdul Rahman H.A Al- Thani	√	N/A	N/A	N/A	N/A	N/A
Mr. Nasser Al- Marri	√	N/A	N/A	N/A	N/A	N/A

The main recommendations of the Audit Committee to the Board of Vodafone Qatar in 2022 were as follows:

(a) Approval of the Company's full-year financial statements for the year ended on December 31st 2021, following the review of the report from the External Auditors;

(b) Approval of the half yearly financial statements, following the review of the report from the External Auditors;

(c) Approval of the financial statements for the three (3) months ended March 31st 2022 and the nine (9) months ended September 30th 2022;

(d) Approval of new and updated policies including the following: Terminal dealers credit limit policy and Fixed assets policy and procedure manual;

(e) Approval of the internal audit plan proposal for the financial year 2023;

(f) Approval of the Board of Directors' assessment of Internal Control over Financial Reporting ("ICOFR") for the year ended December 31st 2021;

(g) Approval of the Company's Corporate Governance Report 2021;

(h) Approval of the re-appointment of KPMG as the Company's external auditor for the financial year 2022; and

(i) Approval of the appointment of the Internal Auditor.

The main updates of the Audit Committee to the Board of Vodafone Qatar in 2022 were as follows:

(a) External audit' management letter points status;

(b) Progress against internal audit plan and audit activity summary results;

(c) Internal Audit Management actions status;

(d) Fraud reports;

(e) Oversight on the enterprise risk management register;

(f) Compliance report; and

(g) External auditors' update.

All recommendations and decisions taken by the Audit Committee are presented to the full Board for endorsement and approval.

4.2 Remuneration Committee

The Remuneration Committee of Vodafone Qatar currently consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee:

Board Member	Position	Board Member Type
H.E. Mr. Akbar Al Baker	Chairperson	Independent and Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Non-Independent and Executive
Mr. Nasser Al-Naimi	Member	Non-Independent and Non-Executive

Article 18.2 of the QFMA Corporate Governance Code requires that a company's Remuneration Committee be comprised of at least three (3) Board members. Vodafone Qatar's Remuneration Committee comprises of three (3) members, one (1) of whom is an independent Board member.

The purpose of the Remuneration Committee is to determine and have oversight of the Company's remuneration policy and principles, in particular, as they apply to the members of the Board and Senior Executive Management. The Remuneration Committee is responsible for:

(a) Setting the Company's remuneration policy on a yearly basis, including the way of identifying remuneration of the Chairman and all Board members. The Board's yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and the distribution of dividends not less than 5% of the Company's share capital (in cash and in kind) to shareholders; and

(b) Setting the foundations of granting allowances and incentives in the Company, including possible issuance of incentive shares for its employees.

The Remuneration Committee met once during 2022 as follows:

Committee Members / Date of Remuneration Committee Meeting	2 February 2022
H.E. Mr. Akbar Al Baker	√
Mr. Rashid Fahad Al-Naimi	√
Mr. Nasser Al-Naimi	√

The main recommendations put forward to the Board in 2022 by the Remuneration Committee were as follows:

(a) Approval of the Company's Short-Term Incentive (Bonus) for the financial year 2021;

(b) Approval of the annual salary review for the financial year 2022;

(c) Approval of the Company's Long Term Incentive Plan for the financial year 2022;

(d) Approval of the Company's Short-Term Incentive (Bonus) targets for the financial year 2022; and

(e) Approval of the Board remuneration for the financial year 2021.

The Remuneration Committee provides an update and a summary of its recommendations to the Board for endorsement and approval. This happens on an annual basis during the Board meeting to approve the Company's full year results and in some cases, more frequently, depending on the nature of the matters reviewed by the Remuneration Committee.

The full Terms of Reference for the Remuneration Committee are publicly available on Vodafone Qatar's website: www.vodafone.qa.

4.3 Nomination Committee

The Nomination Committee of Vodafone Qatar currently consists of the following three (3) members who have the necessary expertise to fulfil the Committee's tasks:

Board Member	Position	Board Member Type
Mr. Rashid Fahad Al-Naimi	Chairperson	Non-Independent and Executive
H.E. Sheikh Saoud Abdul Rahman Al-Thani	Member	Non-Independent and Non-Executive
Mr. Nasser Al-Marri	Member	Non-Independent and Non-Executive

The Nomination Committee primarily has oversight of the nomination and appointment of Board members and ensures the proper application of formal, rigorous and transparent procedures in this context.

The Nomination Committee is responsible for the following:

(a) Developing general principles and criteria used by the General Assembly to elect the fittest among the candidates for Board membership;

(b) Nominating whom it deems fit for Board membership when any seat is vacant;

(c) Developing and drafting a succession plan for managing the Company to ensure there is a clear plan for filling vacant positions in the Company with suitably qualified individuals to minimise and avoid any potential operational disruption;

(d) Nominating whom it deems fit to occupy any position at the level of Senior Executive Management;

(e) Receiving candidacy requests for Board membership;

(f) Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy thereof to the QFMA; and

(g) Submitting an annual report to the Board including a comprehensive analysis of the Board's performance to identify the strengths and weaknesses thereof, and offer proposals thereon.

The Nomination Committee met twice during 2022 as follows:

Committee Members / Dates of Nomination Committee Meeting	26 January 2022	6 December 2022
Mr. Rashid Fahad Al-Naimi	√	√
H.E. Sheikh Saoud Abdul Rahman Al-Thani	√	√
Mr. Nasser Al-Marri	√	√

The main recommendations put forward to the Board in 2022 by the Nomination Committee were as follows:

(a) Approval of the list of independent Board membership candidates applying for election to the Vodafone Qatar Board;

(b) Approval of the four (4) Board members appointed by Vodafone and Qatar Foundation LLC to the Board of Directors pursuant to Article 29 of Vodafone Qatar's Articles of Association; and

(c) Submitting an annual report to the Board on the performance of the Board and its Sub-Committees for the financial year 2022.

All recommendations and decisions taken by the Nomination Committee are presented to the full Board for endorsement and approval.

The full Terms of Reference for the Nomination Committee are publicly available on Vodafone Qatar's website www.vodafone.qa.

5. COMPANY SECRETARY

The Company Secretary acts as secretary to the Board and Sub-Committees of the Board. The Company Secretary is responsible for:

(a) Recording the minutes of Board meetings, listing the names of attending and absent members, laying out meeting discussions and marking any objections that members may raise against any decision issued by the Board;

(b) Recording the Board decisions in the register prepared for this purpose as per issuance date;

(c) Recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date, setting out names of the attending and absent members, the meeting discussions and the members' objections, if any;

(d) Safekeeping the Board meetings' minutes, decisions, reports, records, correspondences and writings by storing them within both conventional and digital records;

(e) Sending to the Board members and participants (if any) the meeting invitations accompanied with the agenda, and receiving members' requests to add any items to the agenda noting its date of submission;

(f) Handling the necessary coordination procedures between the Chairman and the members, among members themselves, as well as between the Board and related parties and stakeholders in the Company including shareholders, management, and employees;

(g) Enabling the Chairman and the members to have timely access to all information, documents, and data pertaining to the Company; and

(h) Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Commercial Companies Law and the provisions of the QFMA Corporate Governance Code.

The appointment or removal of the Company Secretary is a matter that concerns the Board as a whole. The current Company Secretary of Vodafone Qatar is Pauline Abi Saab, who is the Head of Investor Relations for the Company. Mrs. Abi Saab joined Vodafone Qatar in February 2017 and has held the role of Company Secretary since April 1st, 2019. She has many years of experience in corporate governance and she held senior positions in corporate affairs and investor relations at a Qatari national bank prior to joining Vodafone Qatar.

6. EXECUTIVE MANAGEMENT TEAM

6.1 Executive Management Biography and Responsibilities

Sheikh Hamad Abdulla Jassim Al Thani

Chief Executive Officer (CEO)

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 9,355,473 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Prior to joining Vodafone Qatar, Sheikh Hamad served in the Oil and Gas sector in various areas such as industrial network engineering and control system engineering.

Sheikh Hamad Al-Thani joined Vodafone Qatar in 2013, and is currently Vodafone Qatar's Chief Executive Officer (CEO). He is responsible for the overall creation, implementation, and integration of the long-range strategic, financial, commercial and operational direction of the company.

Previously, he served as Vodafone Qatar's Chief Operations Officer where he was responsible for the Company's Customer Operations, Human Resources, Legal and Regulatory and External Affairs functions.

Education

- BA, Computer Science – University of Ottawa (Canada)

Responsibilities

Sheikh Hamad is responsible for the overall creation, implementation, and integration of the long-term strategic, financial, commercial and operational direction of the Company. Hamad Al Thani also oversees key internal and external stakeholder engagements to influence the environment in which the Company operates by liaising with the employees, the Board, and key Government entities. He chairs the Company's operational governance framework, which includes committee oversight of the following: Strategy, Budget, CAPEX allocation, Commercial Approval, Trade Review, Brand Review and Assurance committees.

Khames Mohammed Al Naimi

Chief Human Resources Officer (CHRO)

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Khames Al Naimi is a visionary leader who has successfully contributed to the growth of many Qatari organizations with global footprint. He has helped many organizations navigate complex challenges to unlock true human talent potential, combining it with modern state-of-the-art digital solutions to achieve growth. He is a true champion of sustainable human capital development with a keen focus on identifying and mentoring the next generation of leaders. His far-sighted thoughts have shaped the evolution of Human Resources and ancillary services from role of support services to Strategic Enablers.

Al-Naimi has worked across different sectors, including oil and gas, education and media and mega sport events like FIFA World Cup. Previously, he served as the HR Department Director for the Supreme Committee for Delivery and Legacy; prior to which he held different roles at Qatar Foundation (QF) subsidiaries and Dolphin Energy Ltd.

Al-Naimi joined Vodafone Qatar in May 2018 as the Chief Human Resources Officer (CHRO) with the challenge of leading the Company's People, Culture & Talent Strategy.

Under his leadership, the units that he leads have transformed from a proactive contributor to predictive contributor, with ability to forecast risks and plan ahead to mitigate such risks. At the core of this transformation is his hands-on approach to cut down process times, bring efficiency through digitalization and data driven decision making approach. Above all, he puts people first. He has built strong communication platforms for people to share their feedbacks and keep channels open to foster innovative ideas for continuous improvement. In his own words: "I want to inspire people to think big, I want them to know Vodafone Qatar is a place for them to grow personally as we grow as a company."

Education

- Executive Master's Degree in Strategic Business Management- HEC Paris
- BSc, Business Administration- Applied Science University.

Responsibilities

Khames Al Naimi, as CHRO, is responsible for many facets of day-to-day operations including people, property, community engagement and industry relations; to ensure we are a future-ready agile organization, able to adapt to changing business environment, driven by a culture of learning and continuous improvement, while deeply rooted in our time-honoured Qatari values.

Diego Camberos

Chief Operating Officer (COO)

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Diego is an accomplished executive with 20 years of international experience in Telco, ICT, Fintech and Digital. He has a proven record of success in business turn arounds, top line growth, enhancing profitability and leading organizations to achieve sustainable growth.

He has previously served as the Chief Executive Officer (CEO) of Tigo-Millicom Operations in Senegal and Rwanda, and he occupied numerous management positions across Latin America in organizations such as McDonald's, BK and Trilogy International Partners - VIVA.

Camberos joined Vodafone Qatar in March 2017 first as Consumer Business Director and then as Chief Operating Officer (COO), with the mantle of redefining the Company's corporate identity and branding, revamp the commercial strategy and accelerate its digital transformation.

Under his leadership, Vodafone Qatar has turned around the business which lead to strong top line grown and it has witnessed a historical peak in financial performance, elevating its brand equity as well as diversifying Vodafone Qatar's revenue streams.

Education

- Digital Transformation and Innovation – INSEAD, Fountainblue, France
- MBA, Business Administration – University of Los Andes, Columbia
- BA, Economics and International Studies – University of South Carolina, USA

Responsibilities

Diego Camberos, as COO, is responsible for the coordination and implementation of the Company's overall strategy for commercial, enterprise, digital, and customer operations.

Ramy Boctor

Chief Technology Officer (CTO)

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Ramy Boctor has over 18 years of experience in the Telecommunications industry. He was previously the Chief Technology Officer (CTO) of Mobilink, where he was renowned for improving the technological performance of underperforming teams and rolling-out innovative solutions for perplexing problems.

Boctor joined Vodafone Qatar in February 2014 as Chief Technology Officer (CTO).

Boctor dedicated himself to optimizing Vodafone Qatar's information transfer capabilities, allowing data to move rapidly between distant locations, and he also focused on giving employees, customers and suppliers the ability to collaborate seamlessly irrespective of logistical constraints. By elevating Vodafone Qatar's applicable processing capabilities to a new level and restructuring them in a way that improves their efficiency, Boctor managed to give the Company the high ground in a very competitive market.

He has led the launch of the Company's 4G, 4G+ and 5G networks. In 2020 Vodafone Qatar doubled fibre deployment and home connections within the framework of a Fixed Network. He supervised and overseed the transformation of Vodafone Qatar's digital channels and its analytics, introduced AI into the Company's various corporate paradigms, modernized IT applications and established an open APIs ecosystem within it. Under his leadership, the performance of Vodafone Qatar's network has significantly improved year on year, and with its recent mmWave 5G trial achieving speeds of over 8 Gbps, the Company's expected to continue pursuing an upwards performance trend in the future.

Education

- MA, Business Administration – Warwick Business School, United Kingdom
- BSc, Telecommunication Engineering – Cairo University, Egypt

Responsibilities

Ramy Boctor, as CTO, is responsible for the development and implementation of the overall technology strategy of the Company. Ramy Boctor oversees all aspects of the Design, Planning and Rollout and Optimization of the Radio and Fixed access network and Technology Strategic relationships. He is also responsible for the Technology Security, Service Delivery, Digital Channels Modernisation and IT functions of the Company.

Masroor Anjum

Chief Financial Officer (CFO)

Number of shares held directly in Vodafone Qatar as of 31 December 2022: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2022: 0 shares

Masroor Anjum is a fellow member of Institute of Chartered Accountants in Pakistan, with 20 years of diverse leadership experience in the finance and telecom industry.

He started his professional career with PricewaterhouseCoopers in 2001, and then built-up extensive finance experience in the telecommunications industry at Veon, Telenor group and Warid Telecom.

Anjum joined Vodafone Qatar in 2014, and was appointed as Vodafone Qatar's Chief Financial Officer (CFO) in March 2022. His main duties include handling the financial forecasting of Vodafone Qatar's budgets and setting the overall direction and management strategy of the finance department, encompassing a wide array of processes such as financial accounting and reporting, financial planning, treasury management, investor relations and supply chain management.

Prior to his current role as CFO, Anjum served as Vodafone Qatar's Acting CFO and Head of Financial Planning and Analysis and Head of Finance Business Partners, playing a key role in the transformation of the Company's cost structure, which led to a significant improvement in its overall profitability metrics.

Education

- Chartered Accountant from Institute of Chartered Accountants, Pakistan
- BCom, Commerce- University of Punjab, Pakistan

Responsibilities

Masroor Anjum, as CFO, heads the Financial Operations, Financial Planning, Reporting and Analysis, Supply Chain Management and Business Partnering functions of the Company. He is responsible for the accounting and disclosure of the assets, liabilities, financial position and profit and loss of the Company and ensures that the financial statements of the Company comply with the local and global accounting policies. Masroor Anjum also oversees the Treasury, Investor Relations and Business Intelligence functions of the Company. He chairs the Company's cost optimisation and credit management committees.

6.2 Senior Management Performance and Remuneration for 2022

Vodafone Qatar assesses the performance of Senior Management and all employees through a Performance Development system. Performance Development is designed to enable employees and managers to engage one another in an ongoing dialogue about performance, feedback, development, individual potential and talent, in order to identify and develop high performing individuals and teams in current and future roles. In 2022, Vodafone Qatar worked on a 12-month cycle from setting breakthrough goals aligned with the functional goals and the corporate strategy at the start of the financial year in January/February, to the end of year reviews in November/December. A formal review process to assess and calibrate performance was carried out at both a functional and company level.

The Board has also adopted a succession planning policy in order to ensure business continuity.

Please refer to the Executive Summary in the Company's Annual Report for a summary of the key achievements delivered by the Executive Management during the financial year ended on December 31st 2022.

For details of the remuneration paid to the Executive management team of Vodafone Qatar, please refer to Note 25 of the Company's financial statements as of December 31st 2022, which are also included in the Vodafone Qatar Annual Report. The Financial Statements are pending the endorsement of the AGA meeting.

7. INTERNAL CONTROL AND RISK MANAGEMENT

7.1 Internal Control Processes

The Board assumes overall responsibility for internal risk management and control processes. Based on the efficacy evaluation of the design, implementation, and operational effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately and effectively designed, implemented, and operated as of 31 December 2022.

In addition, Vodafone Qatar's External Auditors carried out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operational effectiveness of the Group's ICOFR as at 31 December 2022 (the "Statement") to ensure compliance with Article 24 of the QFMA Corporate Governance Code.

In the External Auditors' opinion, based on the results of their reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2022.

The External Auditors' and the Directors' ICOFR reports are included at the end of the Corporate Governance report for the year ended December 31, 2022.

7.2 Compliance Programme

Vodafone Qatar has implemented a dedicated and robust compliance programme in accordance with the best international practices. As part of the compliance programme, Vodafone Qatar applies and monitors specific compliance policies and controls across all high-risk activities, including economic sanctions and trade controls, network and information security and resilience and anti-bribery. The compliance programme is designed to ensure that all material financial and business risks for the Company are identified and managed appropriately.

Vodafone Qatar's management is responsible for ensuring the existence and effectiveness of the Company's internal control environment in order to achieve and maintain compliance with all governance policies. This is monitored by the Vodafone Qatar Compliance and Internal Audit teams on an ongoing basis. Internal Audit also provides independent assurance over the internal control system and reports significant issues to the Audit Committee in relation to the risk based yearly audit plan.

7.3 Business Continuity Management

Vodafone Qatar has an established business resilience framework that addresses and mitigates the risk of the business being unable to resume its operational activities within a reasonable time following the occurrence of any events leading to business interruption. The Company has established a dedicated Business Continuity Management ("BCM") Steering Committee comprised of Executive Committee Members who meets on a bi-annual basis to review the BCM Program implementation, maintenance and improvement. The scope of the BCM Steering Committee and its main areas of responsibility are as follows:

(a) Ensure compliance with the BCM policy and its procedures;

(b) Approve BCM procedures and all related processes, rules and documents;

(c) Monitor continuous improvement of the BCM program and procedures;

(d) Ensure that all members of the business are aware of their responsibilities related to BCM;

(e) Define, drive and support the implementation of BCM Strategy within Vodafone Qatar;

(f) Approve and prioritize BC Strategies for critical business processes and systems prior to implementation;

(g) Monitor the development, review and implementation of BCM plans;

(h) Approve and monitor the review of the Company's crisis management plan;

  (i) Define recommendations to improve BCM strategies and operations within the Company; and

  (j) Support and promote awareness actions.

The Business Continuity, Crisis Management, Technology Resilience and Site Emergency Response Plans set out the requirements to protect the Company against the impact of emergencies and disruptions to critical business operations through effective and timely response measures (within predetermined timeframes) to an emergency or crisis.

As part of FIFA World Cup 2022 preparedness, a Business Continuity Risk assessment was conducted and risk mitigation plans were implemented for both internal and external controls. Simulation Exercise was conducted at two stadiums as part of "Watan Exercise" to validate the procedures and highlight the gaps to the FIFA Supreme Committee and the Communications Regulatory Authority (CRA).

Vodafone Qatar was recommended for continuation of the ISO 22301:2019 certification for Business Continuity. This certification included all premises as part of the scope for Surveillance audit done by the British Standards Institution (BSI).

7.4 Enterprise Risk Management

Vodafone Qatar operates a comprehensive ongoing risk management and assessment programme within the business. The primary objectives are to generate balance between the risks that the business takes with its potential rewards, support the achievement of corporate strategy and anticipate future threats. The Company believes that a vigilant and robust approach to risk management enables informed decision making, provides senior management with appropriate visibility of relevant business risks, defines the level of risk the Company is willing to take and facilitates risk-based assurance activity. On an annual basis, the risk management function reports to the Audit Committee on the top ten (10) enterprise risks that the Company believes would have the greatest impact on the Company's strategic objectives, operating model, viability or reputation. These risks, plus relevant mitigating actions, are catalogued and tracked in the Company's Risk Register and are then subject to additional reporting, oversight and assurance on an ongoing basis.

7.5 Internal Audit

Vodafone Qatar's Internal Audit Department provides objective and independent assurance over critical business processes and projects. The Internal Audit Department reviews business and technology processes to identify the risks, review the controls, make recommendations and track management action plans until completion to enable better management of the business by identifying those aspects of the business that could be controlled more effectively. The Internal Audit team has the independence to report objectively on any function without being constrained by line management through reporting to the Audit Committee functionally and to the Chief Executive Officer of the Company administratively. The Internal Audit team monitors and supports key governance structures and activities to ensure ongoing effectiveness. The team also identifies and promotes good business practices and reviews the Company's financial and accounting policies and processes to evaluate and assess any relevant risks in that context.

The Internal Audit Department provides reports to the Audit Committee in every meeting which includes, but is not limited to, compliance with internal control and risk management, fraud incidents, and risks faced by the company along with the actions that were taken in response to them.

In addition, Internal Audit operates in co-operation with and has full access to, the Vodafone Qatar Audit Committee. Internal Audit provides a detailed report, together with a series of recommendations, on the internal control, risk and compliance performance of the Company directly to the Audit Committee during the Audit Committee meetings that take place six times a year, and separately on particular issues as required. Vodafone Qatar notes that Article 22 of the QFMA Corporate Governance Code requires Internal Audit to submit a report every three (3) months to the Audit Committee. Vodafone Qatar is compliant with these requirements as the audit committee meets 6 times a year.

Article 21 of the QFMA Corporate Governance Code prescribes that a company's Internal Audit function should be independent from the day-to-day functioning of the company. The Board considers the Internal Audit Department as being independent from Vodafone Qatar. This independence is reinforced by the reporting line of the Internal Audit function into of the Audit Committee and a secondary reporting line to the Chief Executive Officer of the Company.

7.6 External Auditor

The decision to appoint the External Auditors including a review of the External Auditor's remuneration is made at the AGA by the shareholders. The External Auditors attend the AGA to present their report and to answer queries from shareholders.

The purpose of appointing an External Auditor is to provide objective assurance to the Board and shareholders that the financial statements have been prepared in accordance with all related laws, regulations and IFRS and that they fairly represent the financial position and performance of the Company in all material aspects.

KPMG currently holds the position of Vodafone Qatar's External Auditors and they conduct a full audit at the end of the Company's financial year in addition to a review of the Company's half-year results. Article 23 of the QFMA Corporate Governance Code provides that External Auditors shall be appointed by the General Assembly each year which may be renewed for one or more terms provided this does not exceed five years which is in line with Article 141 of the Commercial Companies Law. Vodafone Qatar's Articles of Association (Article 66) are aligned to the Commercial Companies Law and state that an auditor can be appointed for a period not exceeding five consecutive years.

The decision to re-appoint KPMG as the External Auditors of Vodafone Qatar was approved by the shareholders of the Company at the AGA which took place on 28 February 2022.

8. DISCLOSURE AND TRANSPARENCY

Vodafone Qatar has throughout 2022 complied with the disclosure requirements set out in the rules and regulations of the QFMA and the Qatar Stock Exchange (the "QSE").

Vodafone Qatar conforms to all disclosure requirements of Article 25 of the QFMA Corporate Governance Code. It has disclosed its quarterly financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) to the QSE, the QFMA and the Qatar Central Securities Depository ("QCSD") within the deadlines and rules stipulated there with. Furthermore, Vodafone Qatar has ensured that all sensitive and material information and announcements were disclosed to the market, its shareholders, the investment community and the general public in a timely, accurate, complete and transparent manner as required by the applicable laws and regulations. Material information includes, but is not limited to, Board meeting dates, results announcements, AGA invitation, agenda and resolutions, and any other material matters impacting and / or related to the ongoing performance and operation of Vodafone Qatar that has the potential to affect the Company's share price.

Vodafone Qatar has ensured that all financial results, presentations, official announcements and press releases of significance are available on the Company's website on the day of publication.

In addition, all information about the Chairman, Board members, Senior Executive Management and major shareholders holding 5% and above of the Company's share capital are disclosed on the Company's website and in the Annual Corporate Governance report.

As a general principle, Vodafone Qatar does not comment, affirmatively or negatively, on rumours. If undisclosed material information has been publicly leaked and appears to be affecting trading activity in the Company's stock, or the QFMA or the QSE requests that the Company makes a definitive statement in response to a market rumour that is causing unusual activity in the stock, the authorised spokespersons will consider the matter and determine if a notice / press release should be issued disclosing the relevant material information or confirming there is no undisclosed material information. No such market rumours arose in the financial year ended on December 31st 2022.

The Board adopted a Disclosure Policy that includes, without limitation, the designated spokespersons for Vodafone Qatar, the procedures for dealing with market rumours, disclosure control and obligations and procedures for maintaining confidentiality.

9. SUBSIDIARIES

9.1 Infinity Solutions LLC

In 2019, the Company established a fully owned subsidiary under the name of Infinity Solutions LLC. It provides various operational and administrative services directly to its parent company Vodafone Qatar P.Q.S.C. in specific business areas.

9.2 Infinity Payment Solutions WLL

The Company established a fully owned subsidiary under the name of Infinity Payment Solutions WLL for the purpose of providing Fintech and digital innovation services. It commenced its commercial operations in 2022.

Details of the subsidiaries are more particularly set out in the financial statements included in the Company's Annual Report.

10. RELATED PARTY AND CONFLICTS OF INTEREST

The Board of Directors has approved a Related Parties Transaction Policy related to Vodafone Qatar Board of Directors and Senior Executive Management. The purpose of this policy is to define the guidelines that the Company should observe in entering into transactions with related parties to ensure that all such transactions are identified, disclosed, managed and reported in a way that eliminates any potential conflicts of interest and complies with applicable laws and regulations.

The Board of Directors ensures that all related parties' transactions are discussed in the absence of any related party. Related party shall not be entitled to vote on board resolutions regarding these transactions. The Board of Directors also ensures that the transactions are made according to market prices and on arm's length basis and do not involve terms that contradict or compete with the Company's interests.

In addition, Article 62 of the Company's AoA requires that any resolution about a transaction of which the total value exceeds10% of the Company's market value or the net value of its assets, depending on which of the two is the lower based on its latest financial statements, shall only be passed during an EGA. This Article protects shareholders' rights in general and minorities in particular in the event that the Company conducted major transactions that might harm their interests or prejudice the ownership of the Company's capital.

Vodafone Qatar is compliant with Article 62 of the Company's AoA. The Company did not enter into any major transactions with Related Parties during the financial year ended on December 31st 2022 (as defined in the QFMA Governance Code). For any other transactions with Related Parties, they are listed in the Company's financial statements which are also included in the Company's Annual Report.

Vodafone Qatar has also adopted a Conflict of Interests Policy that is instrumental to its Governance Policy framework and its Code of Conduct. The purpose of this policy is to promote transparency and sound management, and prevent any potential conflicts of interest pertaining to Vodafone Qatar's employees and their dealings. The implementation of this policy is done in accordance with international best practices, and it serves to protect the interests of the Company and its employees from any impropriety. Vodafone's executive and senior staff members are responsible for implementing this policy and taking all the measures necessary to prevent any potential conflicts of interest from taking place.

11. ANTI-BRIBERY

As noted in the 'Compliance Programme' section of this report set out above, Vodafone Qatar operates within an established and comprehensive framework that is in accordance with the best international practices and designed specifically to manage a number of areas of compliance and business risks. This framework covers areas such as customer and data privacy, network and information security and resilience and anti-bribery.

As part of the anti-bribery programme, many actions and measures are taken to actively manage identified sources of risk such as mandatory training for all staff in key positions of responsibility or influence; Breaches of this policy are treated as a serious disciplinary offence.

12. INSIDER TRADING

Vodafone Qatar has in place a policy summarising share trading guidelines and specifically, the insider trading rules and regulations applicable in Qatar. This policy, together with relevant share trading black-out dates, is communicated to the Vodafone Qatar Board, Executive Management Team and all employees prior to the commencement of each trading black-out period. Vodafone Qatar has provided the QSE, the QFMA and the QCSD with a list of the Company's Insiders. The list of Insiders is continuously reviewed and updated as necessary.

13. LITIGATION AND DISPUTES

The Financial Year ended on December 31st 2022 was free of any material lawsuits, or any legal matters that are worth mentioning.

14. OWNERSHIP STRUCTURE AND SHAREHOLDERS

Vodafone Qatar is compliant with Article 29 of the QFMA Corporate Governance Code. Shareholders have all the rights conferred upon them by related laws and regulations, including the QFMA Corporate Governance Code and the Company's Articles of Association. Furthermore, the Board ensures that shareholders' rights are respected in a fair and equitable manner.

14.1 Investor Relations

Vodafone Qatar has a dedicated Investor Relations function and is committed to informing shareholders, investors and financial analysts about the Company's strategy, activities and financial and business performance within the bounds permitted by applicable QSE rules and regulations. The Investor Relations function primarily acts to maintain an active and transparent dialogue with investors through a planned programme of investor relations activities and disclosures throughout the year, which nonexclusively include the following:

(a) Publishing financial statements, earning releases and investor presentations of quarterly, half-year and full-year results;

(b) Publishing an Annual Report of the Company that provides a comprehensive overview of the company's financial and business performance for the year;

(c) Hosting investors and analysts calls to coincide with the release of the Company's financial results at which senior executive managers provide an overview of business and financial performance;

(d) Hosting the AGA meeting which all shareholders are invited to attend, actively participate and to exercise their voting rights;

(e) Conducting ongoing meetings with institutional investors and analysts, attended by the Chief Executive Officer and/or the Chief Financial Officer to discuss the business and financial performance;

(f) Disclosing material information in a fair and complete manner;

(g) Answering shareholders' and analysts' queries and concerns in a timely manner;

(h) Attending ongoing conferences and roadshows throughout the year; and

(i) Enhancing and updating the Investor Relations website dedicated to the Company's shareholders, investors and analysts.

14.2 General Assembly Meeting

In compliance with Article 32 of the QFMA Corporate Governance Code, the Company's Articles of Association affirm the right of shareholders to call AGA and Extraordinary General Assembly ("EGA") meetings for the purposes of affording shareholders the opportunity to discuss and raise questions to the Chairman and Board members with respect to any items on the agenda of the relevant General Assembly.

The Company endeavours to hold its AGA or any EGA at an appropriate time and place to enable the majority of shareholders to participate in such meeting. The Company further ensures that shareholders are entitled to appoint a proxy to attend the AGA and EGA on their behalf and details in this regard are contained in the AGA and EGA notices. Vodafone Qatar sets out the agenda items for the AGA and EGA in its notice to the shareholders and details of the proposed resolutions are presented to the shareholders at the AGA and EGA meetings. The resolutions are disclosed immediately after the meeting to the QSE and the QFMA. The minutes of meeting are disclosed immediately after approval. The resolutions and the minutes are available to view on the Company's website.

14.3 Access to information

Vodafone Qatar has an "Investor Relations" page on its website, which provides shareholders and other stakeholders with information about the Company. The information is regularly updated to ensure that shareholders have the most up-to-date information at their disposal.

Shareholders are granted free access to a record of shareholder data in connection with their respective shareholding, in accordance with the provisions of Article 12 of Vodafone Qatar's Articles of Association, and in line with the applicable controls and regulations set out by the QFMA and the QCSD.

14.4 Major Shareholders

The Company's major shareholders as at 31 December 2022 holding 5% and above of the Company's share capital are as set out in the table below:

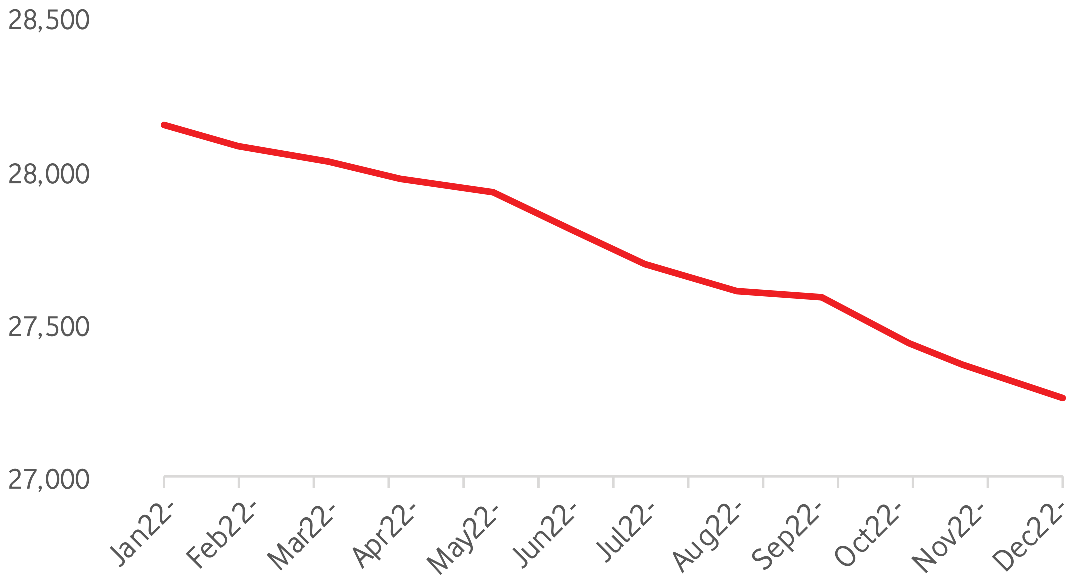
Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC (1)	Corporations	Qatar	1,902,150,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	317,210,220	7.50%
Military Pension Fund - General Retirement Authority	Government	Qatar	234,430,937	5.55%
Qatar Foundation for Education Science and Community Development (2)	Corporations	Qatar	211,350,000	5.00%
		Total	**2,665,141,157**	**63.05%**

(1) Vodafone and Qatar Foundation LLC owns 45% of the Company's capital and is itself 100% owned by Qatar Foundation.

(2) Accordingly, Qatar Foundation's ownership interest in the Company (both directly held and indirect through Vodafone and Qatar Foundation LLC) totals 50% of the Company's capital.

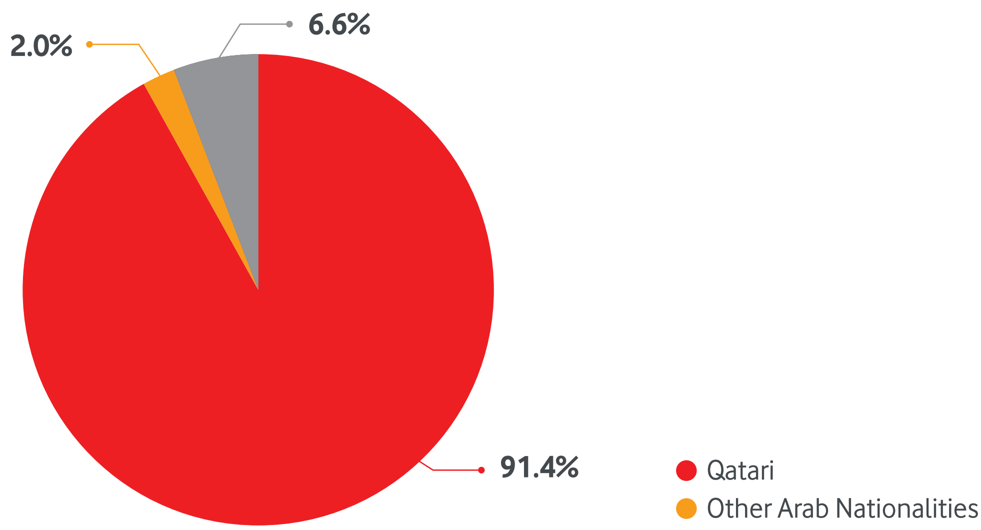
14.5 Number of Shareholders

On 31 December 2022, the total number of shareholders in Vodafone Qatar reached 27,262 down from 28,259 as end of December 2021.



14.6 Shareholder Base by Nationality

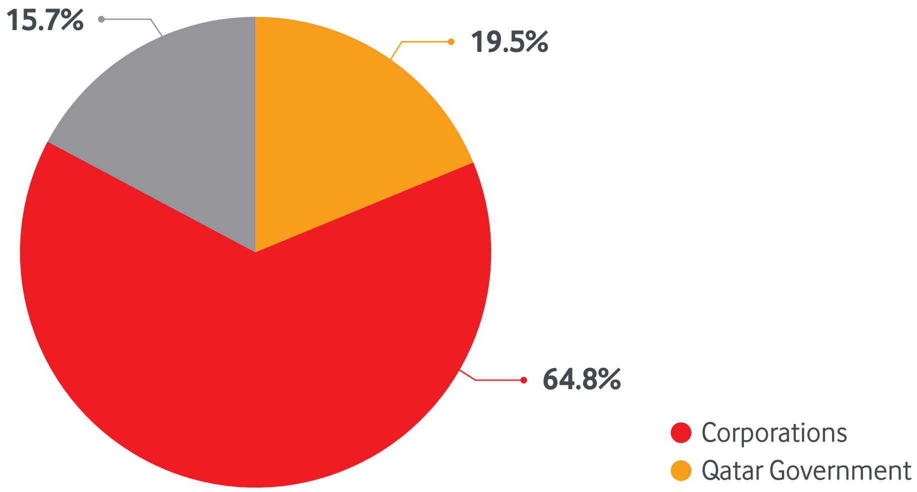
The percentage of shares held by Qatari shareholders (being shareholders, either citizens or entities incorporated in Qatar) decreased slightly to reach 91.4% of the Company's share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC) down from 91.9% as at 31 December 2021.



Shares owned by shareholders from other Arab nationalities and other nationalities reached respectively 2% (down from 2.3% last year) and 6.6% (up from 5.8% last year) of the Company's share capital.

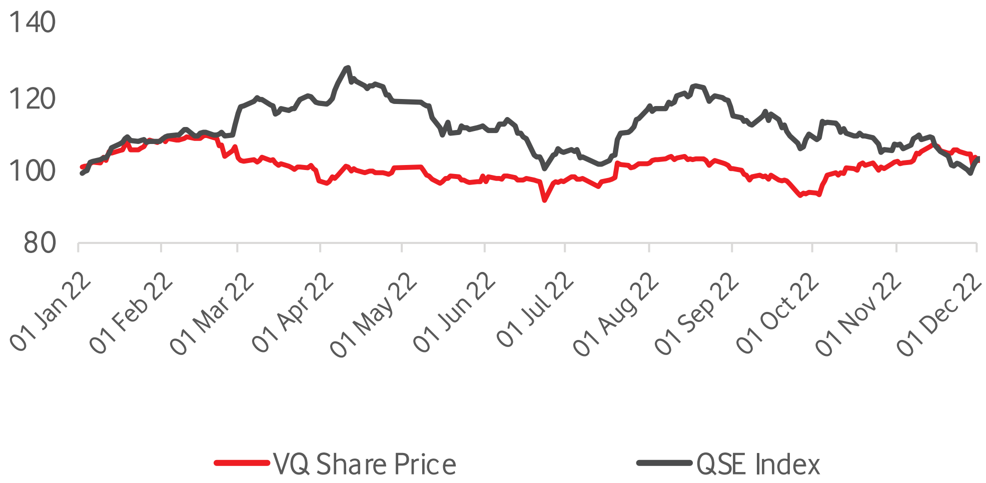
14.7 Shareholder Base by Category

On the 31st of December 2022, the percentage of the Company's issued and paid up share capital owned by corporations reached 64.8% (up from 64% last year), those owed by the Qatari Government reached 19.5% (up from 18.8% last year) and those owned by Retail shareholders reached 15.7% (down from 17.2% last year).



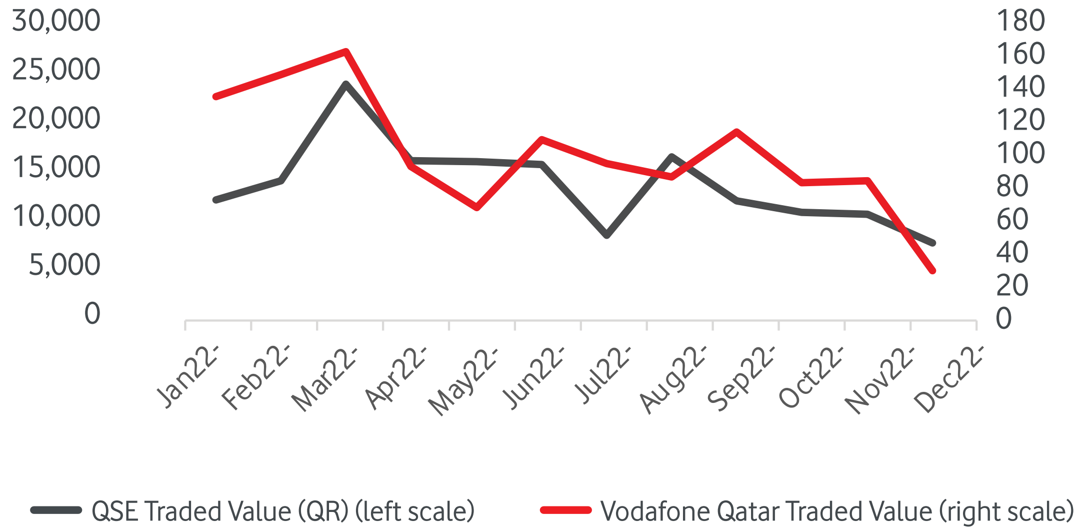
14.8 Share Price Movement

In the financial year ended on December 31st 2022, Vodafone Qatar's share price decreased by 4.92% to reach QR 1.59 down from 1.67 on the 31st of December 2021.



14.9 Share Trading Activity

In December 2022, Vodafone Qatar's monthly traded value reached QR 26 million compared to QR 47 million in December 2021. In Financial Year 2022, Vodafone Qatar monthly average traded value reached QR 99.4 million.



15. WHISTLEBLOWING AND SPEAK UP

As part of the Company's commitment to maintain high standards in terms of governance practices, transparency, honesty, integrity, ethical dealing, and accountability, the Board of Directors set up a Whistleblowing Policy to provide communication channels through which all external stakeholders could, in good faith, raise concerns in confidence and report any activity that violates laws, regulations, improper practices, the code of business conduct, or the Company's policies and decisions, in order to protect them and their respective rights. Vodafone Qatar undertakes to investigate, remedy, and respond to all good faith complaints or concerns within a reasonable timeframe. Vodafone Qatar maintains full confidentiality and anonymity vis-à-vis the submitted whistleblowing reports.

Additionally, the Company has a "Speak-up" Policy that provides guidance for employees, contractors, and consultants in cases where they become aware of any actions or conduct that are not in line with Vodafone Qatar's Code of Conduct. The policy details the methods for confidentially reporting any such concerns. All reported cases are treated as fully private and confidential to ensure that relevant individuals can report any wrongdoing without being afraid of reprisals.

16. EMPLOYEE RIGHTS

The Board ensures that all employees are treated equally without any discrimination whatsoever on the basis of race, gender or religion. Remuneration policies and packages have been established to incentivise employees to act in the best interests of the Company, and to retain and reward employees who demonstrate exceptional performance.

Appropriate mechanisms were set in place to enable all employees to report known or suspected breaches of Company policies confidentially and without the risk of a negative reaction from other employees or their superiors.

17. COMMUNITY RIGHTS

17.1 Sustainability

Vodafone Qatar's relationship with the community it operates in extends well beyond the products and services it offers. We aim to support the Qatari society in its journey towards a better future by creating a digital society that enhances and promotes socioeconomic progress, focuses on protecting and improving the environment, and adheres to the fundamental tenants of our Social Corporate Responsibility program.

We are proud of our numerous social investment initiatives that have benefited a wide segment of society since we first began our operations in 2009. The campaign of the Company's slogan we launched under the title of "Together We Can", which was renamed and relaunched last year, shows our firm faith in the fact that establishing a symbiotic relationship between various kinds of technologies and individual members of society will lead to a better and brighter future, and further increase the momentum of Qatar's progress towards a greater tomorrow.

For additional information on the Company's social development and environmental protection and preservation initiatives, kindly refer to the sustainability section of this annual report.

17.2 Social and Sports Fund

Vodafone Qatar is compliant with Qatari law No. (13) for the year 2008 and the related clarifications issued in January 2010 requiring the Company to contribute 2.5% of its annual net profits to the State Social and Sports Fund. The total amount paid for the financial year 2021 was QR 8.2mn and the total amount accrued for the financial year 2022 is QR 12.6 mn.

For further details, please refer to the Company's financial statements in the annual report.

EXTERNAL AUDITORS' REPORT ON CORPORATE GOVERNANCE

INDEPENDENT LIMITED ASSURANCE REPORT

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

Report on Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Vodafone Qatar P.Q.S.C. ("the Company") to carry out a limited assurance engagement over Board of Director's assessment whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Company is in compliance with the requirements of the articles of the Code as at 31 December 2022.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for preparing the corporate governance report that covers the requirements of Article 4 of the Code. The Board of Directors provided their assessment whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and the Company's compliance with the articles of the Code' (the 'Statement'), which was shared with KPMG on 24 January 2023, and to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to activities of the Company.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to issue a report thereon including an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board which requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, that the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Company is in compliance with the requirements of the articles of the Code as at 31 December 2022 as the basis for our limited assurance conclusion.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Company's compliance with the articles of the Code and other engagement circumstances, and our consideration of areas where material non compliances are likely to arise.

In obtaining an understanding of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and its compliance with articles of the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design limited assurance procedures that are appropriate in the circumstances.

Our engagement included assessing the appropriateness of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and its compliance with the articles of the Code and evaluating the appropriateness of the methods and policies and procedures used in the preparation of the Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the articles of the Code.

The procedures performed over the Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation including with the articles of the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the articles of the Code; and
- Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The other information comprises the information to be included the Company's annual corporate governance report which are expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another, which do not form a clear set of criteria to compare with. Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment on the process in place to ensure compliance with article of association and provisions of the QFMA's law and relevant legislations, including compliance with the Code and the methods used for determining such information. Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement is an assessment of the process for compliance with the Company's Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and compliance with the articles of the Code.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on our limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and the Company is compliance with the articles of the Code as at 31 December 2022.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

24 January 2023
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251
Licensed by QFMA: External Auditor's License No. 120153

EXTERNAL AUDITORS' REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICOFR)

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

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Vodafone Qatar P.Q.S.C ("the Company") and its subsidiaries (together referred to as "the Group") to carry out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (the 'ICOFR') as at 31 December 2022 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors are responsible for fairly stating that the Statement is free from material misstatement and for the information contained therein.

The Statement, which was signed by the Board of Directors and shared with KPMG on 24 January 2023 and is to be included in the annual report of the Group, includes the following:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- the description of the process and internal controls over financial reporting for the processes of revenue and cost, leases, procurement to pay and inventory, human resources and payroll, fixed assets and intangibles, entity level controls, general ledger and financial reporting and information technology general controls;
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and testing controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group's ICOFR.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon including an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board which requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement whether due to fraud or error.

Our engagement included assessing the appropriateness of the Group's ICOFR, and the suitability of the control objectives set out by the Group in preparing and presenting the Statement in the circumstances of the engagement. Furthermore, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed and implemented and are operating effectively as of 31 December 2022 based on the COSO Framework.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
    - Process level control documentation and related risks and controls as summarized in the Risk and Control Matrix ("RCM");
    - Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) controls documentation and related risks and controls as summarized in the RCM;
    - Risk arising from Information Technology and controls as summarized in the RCM;

Disclosure controls as summarized in the RCM.

- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed.
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The other information comprises the information to be included the Group's annual report which are expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information. Because of the inherent limitations of internal controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Furthermore, the controls activities designed, and operated as of 31 December 2022 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2022.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

24 January 2023
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditor's Registry Number 251
Licensed by QFMA: External Auditor's License No. 120153

DIRECTORS' ASSESSMENT OF INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICOFR)

General

The Board of Directors of Vodafone Qatar P.Q.S.C. (the "Company") and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded; account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Controls over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;

- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Controls

For the financial year 2022, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including revenue and cost, leases, procurement to pay and inventory, human resources and payroll, fixed assets and intangibles, entity level controls, general ledger and financial reporting and information technology general controls. As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of 31 December 2022.

This report on Internal Controls over Financial Reporting was approved by the Board of Directors of the Group on 24 January 2023 and were signed on its behalf by:

Abdulla Bin Nasser Al Misnad	**Rashid Al-Naimi**
Chairman	Managing Director

Sustainability

3

Sustainability

Sustainability is one of Vodafone's vital three corporate pillars, which underpins all of its operations as a business. Vodafone's initiatives aim to drive sustainable change within the community by committing to leaving a positive impact on the social, economic and environmental elements within the local market.

From agriculture to transportation and smart homes, Vodafone is at the forefront of a digital-first sustainability revolution. The momentum of post-pandemic economic recovery has spurred economic development and with it came the search for ways to create more sustainable economies and societies. Innovation from Vodafone Qatar is playing a crucial part in this journey, as for years its investments in sustainable technologies and projects have actualised a future that respects and meets both individual and collective needs.

Vodafone Qatar's sustainability highlights for 2022 include:

PARTNERSHIPS

Establishing solid partnerships within the local market and technology sector is a key part of building the sustainability of Vodafone as a business, and it plays an integral role in Vodafone's ability to continue to use innovation to create new opportunities for progress and accelerate the process of digital transformation.

Through these partnerships, Vodafone Qatar seeks to convert new ideas into tangible projects and initiatives that serve the development of the community and help it overcome social challenges. For example, Vodafone Qatar has built long-term partnerships with universities and research institutions in Qatar, such as with the University of Doha for Science and Technology (UDST), as well as other educational organisations including Education Above All (EAA) and the Al Noor Institute for the Blind.

Vodafone believes that partnerships are crucial to combining efforts around sustainability and Corporate Social Responsibility (CSR) initiatives and achieving a unified vision, all to drive positive change in the country. Vodafone Qatar is committed to delivering such initiatives using its innovative technological advancements that will offer the solutions required to address social challenges.

TECHNOLOGY

Many of the solutions that Vodafone has developed have sustainability at their core, and help both consumer and business customers to live and work more sustainably. Vodafone's Internet of Things (IoT) platform enables businesses to operate more efficiently, which not only brings a range of benefits such as reduced costs, but also increases the sustainability of operations. Vodafone is working with businesses across a range of sectors, such as transport and logistics, manufacturing and construction, to deploy cutting-edge technologies that optimise their operations and sustainability.

Some other examples include Vodafone's long-standing partnership with Qatari start-up, Loop Mobility, with its IoT solution to power its smart scooter sharing service – paving the way for environment-friendly urban mobility. The Msheireb Smart City project in downtown Doha gets its high-speed 5G coverage from Vodafone as part of a green initiative that brings sustainable tech into the real estate industry and disrupts outdated concepts of urban life. Technologies like 5G, Big Data, and Artificial Intelligence (AI) improve the connectivity, efficiency, and sustainability of smart cities. Sustainable agriculture is data-led and smart, and Vodafone's secure narrowband-IoT (NB-IoT) network brings IoT to farmers and agricultural companies.

YES, WE CAN RENEW AND REBUILD

In 2022, Vodafone launched its largest ever sustainability campaign, 'Yes, We Can Renew and Rebuild', during the Holy Month of Ramadan. This was one of the first times that Qatar has seen such focus placed on sustainability on this large of a scale, with awareness about the matter being raised on a national level.

Residents of and visitors to Doha saw the city painted green through dedicated installations with the aim of drawing attention to the importance of sustainable living and recycling, using plant life that is native to Qatar.

As part of the campaign, Vodafone aimed to tackle the high volume of food waste produced by homes across Qatar and, through a partnership with Seashore Recycling, gave away free Bio Box composting bins. These encouraged households to recycle their food waste during Ramadan and turn it into compost, which could then either be used at home or given to Agri-Qatar to use as fertilizer on crops. Qatar Foundation's schools participated in this campaign, encouraging the students and parents to recycle their food waste during Ramadan.

EMPLOYEE INITIATIVES

Vodafone Qatar runs employee initiatives as part of its focus on sustainability and its goals of encouraging the adoption of pro-sustainability behaviours within its team. For example, in 2022 and in celebration of 'World Car-Free Day', Vodafone organised a 'No Car Day' for all employees.

Team members were encouraged to use more sustainable alternatives, such as carpooling, electric scooters, metro, buses, bicycles or walking. In addition, Qatar Rail supported Vodafone's initiative by providing its employees with 400 free tickets to use throughout the day on its services, via the Doha Metro.

Vodafone employees supported the initiative by using alternative commuting options to get to work, and expressed their eagerness to continue using more sustainable transportation, also highlighting the fact that it was a new time-efficient and enjoyable experience.

ENVIRONMENTAL PROTECTION

Vodafone Qatar believes that urgent action is needed to address climate change, and continues to implement the necessary measures related to greenhouse gas emissions, energy consumption, and resource and waste management, into its business practices, in order to guarantee that all its operations are environmentally-friendly.

Vodafone Qatar is committed to implementing environmental protection initiatives within the company, be it by using recycling bins in offices and retail stores, to utilising an environmentally friendly SIM card made from fully recyclable materials, or continuing to reduce the number of paper recharge cards that are sold in the market.

Vodafone is also committed to reducing our impact on the environment while constantly improving our customer experience, mainly by digitizing the balance recharge process. Digital payment machines empower retailers to enable the consumer to pay their bills and recharge their balance without having to use a paper-based service. This both reduces the use of paper and packaging and its associated negative climate impact, and offers a much-improved experience for both retailers and consumers.

Vodafone also continues to convert sites within its network to commercial power to avoid direct fuel consumption, which implies higher carbon dioxide (CO2) emissions. In addition, we operate with multiple energy efficiency initiatives, including installing Power Cubes; a green energy solution that stores lost power. Going forward, Vodafone's aim is to switch to renewable energy providers as we work towards a net-zero future.

WORLD'S FASTEST MOBILE NETWORK

Based on analysis by Ookla®
of Speedtest Intelligence®
data for Q3-Q4 2022 in Qatar.

Review of the Year

4

BRAND; YEAR IN REVIEW

Future Aspirations, Today's Innovations

Navigating the aftermath of a pandemic.

Rebuilding normality.

Accelerating digital transformation and innovation.

Closing the tech divide in everyday life.

This year was an exciting year for the Vodafone brand, as well as the entire nation. We watched the State of Qatar light up with anticipation, excitement and buzz as it took on the title of the first Arab nation to host the World Cup. Fans from all over the world came to Qatar, bringing with them passion, joy and cheers of pride. Vodafone made its presence felt to the fans that came by embodying the fan spirit and being one of them. Celebrating and supporting the fans throughout the historic event.

Together we experience

We took our brand to international audiences within Qatar introducing our flagship experience store to one of the country's most unique and one-of-a-kind malls- Place Vendôme. We wanted this store to embody the three main pillars of Vodafone innovation, sports & technology, with a particular focus on experience.

Our experience store is a demonstration of our commitment to bring the latest in tech experiences to our customers by giving them an unparalleled, immersive, hands-on experience where they could be introduced to the latest technologies through virtual and augmented reality interactive assets.

Ahead of the largest football tournament in Qatar, we launched our "We fan together" campaign at the experience store, in a first of its kind hybrid event where visitors at the store witnessed the launch of the campaign in the Metaverse. The campaign serves to connect local and international football fans throughout the tournament and enable them to get closer to the action on the pitch. The campaign lasted for the time of the tournament and hosted a suite of activities for residents and visitors to Qatar along with unique activations, including the Fan Academy, curated mood-based playlists on Spotify and Anghami, Trivia games on MyVodafone App, iconic Match Raps, TikTok activations and special filters for fans.

Together for a Transformed Tomorrow

We understand the importance of strategic partnerships with businesses that share our vision and ethos. One such example is our collaboration with Rafeeq, one of the fastest local delivery applications, through which we work towards a digital future with the implementation of solutions that can optimize and enhance customer experiences such as IoT.

Our biggest and most anticipated partnerships this year came with the launch of Microsoft's new data center in Qatar of which Vodafone Qatar was named the official technology provider. Vodafone Business was one of the event's sponsors and had an exclusive booth where we showcased many advanced digital solutions like IoT (Internet of Things), Asset Tracking, Fleet Management, and so much more. This partnership with Microsoft cloud data center region is expected to deliver unprecedented opportunities for the nation to unlock new revenue streams, innovate ground-breaking solutions and drive digital transformation across organizations and industries in Qatar.

Health and technology are at the forefront of what we do, and we must build a future that promotes this vision, where we support the impact of tech in healthcare. We were proud to sponsor the PMFG SYMPOSIUM by Sidra, which hosted discussions with leading experts working towards advancing the role of tech in health.

The year also saw the launch of three initiatives that highlighted our commitment to advancing the role of tech in daily life & business.

We launched the Vodafone Smart Tracker, the new innovative solution that enables customers to track and locate their important belongings anywhere in the world. We also introduced Push-To-Talk Plus, taking communication to the next level with a mission-oriented device that allows instant communication through audio, videos, images, and messaging. This device is ideal for managing mega events and multi-location projects.

Vodafone Business also introduced the Vodafone Managed PABX (Private Automatic Branch Exchange)- an end-to-end solution supplying, integrating, supporting & maintaining the PABX at the customer premises for a monthly subscription.

Together For Digital Transformation

We are always looking to drive Qatar towards the future, putting our nation on par with innovation and technology around the world, especially with the help of cutting-edge technology like IoT and connectivity solutions. We recognize the need for digital solutions, connections, and collaboration when it comes to being leaders of digital transformation, not just in our country but globally. Our effort towards being future-ready and thought leaders allowed us to be Innovation Partners of Project Qatar and the Hospitality Qatar Exhibition, where we demonstrated first-hand innovative solutions that will pioneer the future, with the help of cutting-edge technologies that empower businesses to level up their operations and customer service.

Together For a Stronger, Healthier, Happier Tomorrow

Vodafone Qatar stays true to focusing on the human spirit and the importance of health, sports, and education. We are constantly working towards developing tech-driven solutions to drive our health-and-education-related aspirations. We announced a new partnership with Padel In to become its exclusive telecom partner. We also were the official partner of the Neshan Vodafone shooting championship in the presence of his excellency Sheikh Joaan Bin Hamad al-Thani.

As part of constant efforts to support a youthful, sports-oriented society, Vodafone Qatar took up the title of the official sponsor of the Commercial Bank Qatar Masters 2022 championship for Golf, as well the supporting partner of the ultimate cross-fit competition “The Phoenix Games”. We also sponsored “The Ultimate Race 2022” at Katara.

With the football fever taking over in Qatar, we didn’t hesitate to jump in on the action early as the proud official partner to the Red Bull Neymar Jr’s Five football tournament. This event showcased the talents of many young football players, from whom the finalists got to play against football icon Neymar Jr.

Together For Sustainability

As a brand with sustainability at its heart, we boldly challenged cultural norms and changed the conversation during particular days of the year. For Ramadan, we sought to change reigning trends and behaviours for the better. Our campaign provided actionable solutions so our audience could make positive changes in their everyday lives far beyond Ramadan. Home composting bins were distributed, and a complete digital ecosystem was developed to make it easy for the public to request the bins and turn their food waste into usable compost daily. As the public began to listen, we amped up our efforts and introduced the message, “LET’S RECYCLE OUR WASTE”. 2000 home composting bins were ordered to be distributed to homes. Local influencers were engaged to join the conversation, as well as educate and rally the public.

During Garangao, we used an Electric Bus to distribute sweets to children, and bring the sustainability message to the grassroots.

On Earth Day, we guided our followers to ‘Switch to Green’ in their daily use of technology through a series of educational videos featured on our social handles.

But our initiative continued beyond special occasions. Vodafone’s Trade-in Program became the ultimate solution to e-waste, where customers could trade-in any of their old devices for a new one. It stayed true to Vodafone’s promise towards a more sustainable future.

Vodafone Qatar was also the Gold sponsor of the Smart City Expo Doha event in Msheireb. In this global event, experts came together to share ideas on how to create better more sustainable cities.

And finally, Vodafone Business was proudly assigned as the official technology sponsor at Qatar’s 9th International Agricultural and Environmental Exhibition (AgriteQ) where we showcased the impact of Internet of Things (IoT) solutions and more.

The future is here, and in 2023, we’re only going to do better. While we are proud of our achievements in 2022, we want to use our successes as a steppingstone to aim higher for the future. We will stay true to our pillars and continue driving our vision for a sustainable, tech-focused future that elevates the human spirit and experience. We move on to the coming year with higher goals, hopes and innovations. We move together.

GETTING CLOSER TO OUR CUSTOMERS

Retail footprint and experience

Leading in retail means efficiently expanding our footprint to be closer to our customers, being strategically present across the country and offering an unparalleled customer experience. This year we have launched 2 new stores at Vendome mall and Doha port bringing the foot print up to 30 retail stores across Qatar, and we plan to continue expanding our scope of operations and market share and mindshare within the country. Each one of our stores takes customers on a branded journey where they experience the quality, convenience, transparency, simplicity, and the reliability of Vodafone Qatar’s unmatched products & services. Our new flagship experience store at Vendome Mall boasts unparalleled service and is considered be an epitome of customer experience. At the Vodafone Store in Vendome customers could experience the latest technology and immerse themselves in the world of technology.

Expanding Digital Footprints

As a telecommunications company, outreach and coverage are integral to our brand identity.

For this reason, we provided Mass-Market Retailers with 2500 new Point of Sale (POS) machines to enable customers to easily conduct digital recharges and seamlessly complete bill payment transactions at their stores, allowing said Retailers to more efficiently and effectively manage their inventory.

Furthermore, we also increased our Self-Service Machines (SSM) to 88 which have the ability to accept bill payments and balance recharges. These new SSMs have been deployed at our retail stores, Qatar Rail metro stations, labour camps and Mass Market Outlets.

The Qatar Rail project is currently at the forefront of innovation and development in the country with thousands of people using the metro for their daily transportation needs. Our Self-Service Machines (SSMs) are now conveniently available for commuters in 11 Doha Metro Stations- Msheireb, Umm Guwalina, West Bay, and Wakrah, Al Rayyan, Hamad Hospital, Al Mansoura, Souq Waqif, Bin Mehmoud, Al Waab & Al Saad.

iPay in Vodafone Retail stores

Vodafone partnered with Infinity Solutions to enable the delivery of iPay services at Vodafone retail stores, consequently allowing customers to create an iPay wallet account at any Vodafone retail store to make cash-in transactions directly through an SSM or with the help of a Vodafone certified retail agent.

Customers could also opt to pay for goods and services through their iPay wallet using a service called iPay Merchant Payments.

INNOVATION THROUGH RESPONSIBLE DATA ANALYTICS

Vodafone Qatar continues to evolve as one of the leading users and now providers of Big Data and Advanced Analytics in Qatar. In 2021, we have expanded our internal expertise and investment in this field of Technology to generate superior commercial returns. It is with much pride that we take credit for introducing a wide range of Big Data and Advanced Analytics solutions and services for Qatari governmental and corporate organizations. We have expanded our client base to include some of Qatar leading commercial and governmental organisations by providing these organisation bespoke services. We are delighted to be partnering with Qatar Tourism and other commercial and governmental organizations to help them play an essential and foundational role in the realization of Qatar National vision 2030, and which will be at the very heart and centre of the proceedings of FIFA World Cup 2022.

While the aforementioned prospects of digital progress may seem daunting at face value, privacy and data security were, are, and shall always be, our highest priority. Ever since our privacy policy was updated in Q4 of 2019, we have continued to see that by placing this above all other commitments, our customers felt more secure and confident in dealing with Vodafone Qatar as ever-evolving digital communication and Big Data technologies started to rapidly take the Global Telecommunication Landscape by storm. Vodafone Qatar is committed to exceeding customer expectations in this area and we strive to go beyond simply meeting our legal obligations when it comes protecting and securing customer data. Our dedication to this aspect of our business and our investment towards optimizing it to the largest extent possible stand above everything else.

WE CARE

Vodafone Qatar was firmly committed to realizing its digital ambitions in 2022, future-proofing and maintaining its competitive edge in the market. Our CARE initiatives played a central role in our goal of being a next-gen connectivity and digital services provider and they were a key part of the strategy we devised to ensure its realization, ultimately catalysing the ushering-in of an inclusive and sustainable digital society in line with Qatar National Vision 2030.

One of our key projects in 2022 was initiated in Qatar alongside Vodafone Group – Project DNA (Digitize and Automate), which along with the Voice of Customer initiative, allowed us to optimize and improve the overall User Experience of our customers and further digitize our interactive ecosystem. This has led to the creation of innovative models and the adaptation of successful ones from other markets with a focus on digital transformation initiatives and on procedural efficiency, allowing us to significantly improve our frontline capabilities and enhance the experience of our customers.

We believe that easy access to information and transparency are vital for creating a great user experience. In 2022, we introduced a new set of functionalities to our digital channels in order to deliver on both fronts, giving customers the ability to track their data consumption and remain updated on the status and benefits of the plans they're subscribed to through the addition of a "Usage and Transaction" history view function to the My Vodafone App, and also allowing them to track the delivery of their online orders in real-time through the rollout of a new "tracking" functionality, ultimately giving customers more control than ever before over their overall experience with Vodafone.

A critical matter related to digitalization was addressed during World Cup preparations when eKYC was implemented to provide fans with fully e2e Digital activation capabilities. However, this will have long-lasting applications as well since it will assist in introducing new digital capabilities to QID holders as well.

Furthermore, we made a few UX changes and improvements of our website to help our customers more easily and seamlessly navigate our platform for the information they're looking for, and, to keep them informed on our latest features, enhancements, developments and advancements, we've been consistently releasing new and updated content on our "What's new on Digital" and "Videos Tutorials" pages, ultimately maintaining a healthy, solid and active relationship with our client base.

We have also increased the use of technology to deepen our sales & support engagement with customers by migrating operations from manual interactive models to cutting edge models that are assisted by AI like "Conversational Marketing" and "WhatsApp Business channel". With these additional channels, we have observed a shift in behaviour where customers preferred using the new Interactive Conversation based approach over the rigid manual one.

Our AI powered Chatbot – Labeeb was enhanced to continue to add more journeys for our customers. Labeeb is undergoing a continuous learning process to more effectively and wholly understand and analyse data for correlations and patterns. In 2023, Labeeb will continue to study & use the patterns and trends it identifies to make better predictions and convert them into actionable information for an enhanced customer experience.

As we are undergoing a rapid digital transformation, in 2023, we will focus on enhancing our digital capabilities including artificial intelligence (AI) and robotic process automation (RPA), which will allow us to radically simplify our operations through automation, thereby empowering customers to engage in self-service, and allowing us to maintain our competitive advantage as national and regional pioneers in digital transformation. While the global economy climate remains riddled with uncertainty, we are well equipped to respond to the challenges that may arise and we will continue to execute our digital strategy at pace, building on the good momentum we gathered in 2022.

GIGANET – ENABLING CUSTOMERS TO CONNECT TO A BETTER FUTURE

Our GigaNet network constitutes the foundation of our products and services. Through this network, we are building and expanding a Gigabit society where everything and everyone is instantly connected whenever they want and wherever they are. We are committed to enabling business success and sustainability in a constantly changing digital world. In 2020, to meet the growing demand for data and digital connectivity solutions, we made major investments to upgrade our network and IT systems, to provide our customers with a secure and reliable network across Qatar. In 2021 & 2022, we further reinforced our position by making the following significant and impactful investments:

IT & Digital Transformation:

We've delivered 129 new products, produced numerous feature enhancements and created new applications, while still focusing on improving delivery quality, ultimately managing to mark a less than 2% rollback rate. In preparation for the major event we focused on IT applications modernization and capacity upgrades, upgrading and modernizing 28 applications and achieving a 100% rate of IT application modernization.

Further expanding 5G networks:

We are constantly expanding our 5G network to propel Qatar's economic growth and provide businesses and individuals alike with access to the latest 5G technologies. We completed deploying our network at 8 stadiums, equipping them with state-of-the-art technologies and world class 4G / 5G / mmWave coverage in order to assure perfect capacity and customer experience to all FIFA guests and enterprise crews.

Extending our Mobile Coverage:

With our team of top-tier experts and our extensive resources, we managed to position ourself as a lead operator for the design and deployment of several mega projects all with world class customer experience of latest 4G and 5G technologies.

For an unforgettable tournament experience, we've also been working with some of the best partners in the wireless industry to deploy the latest and most innovative solutions, ensuring that Qatar's guests and fans are provided with a remarkable customer experience characterized by excellent coverage, immense capacity and cutting-edge technology.

Network Performance

Independent Network Performance Audits:

We increased our outdoor sites by more than 30% compared to 2021, and conducted a full network optimisation to assure homogeneous coverage and absence of overlap among old and new sites.

We also increased our sites base by almost 34% compared to 2021 [51% increase in the ID, and 26% increase for the OD] , with 5G sites increasing by close to 62% compared to 2021, [536% increase in ID, and 53% increase in the OD] thus doubling our core network capacity to ensure the delivery of a world class experience during the World Cup and to promote the growth of our subscriber base.

Additionally, we migrated all national and international signalling and voice interconnects to IP transport technology, guaranteeing scalability, high resilience and BW efficiency.

Lastly, we introduced VoLTE roaming capabilities to our VoLTE network to allow our customers to enjoy VoLTE services while roaming.

Innovation

In order to maintain our competitive edge and support Qatar's 2030 National Vision, we are running trials for the introduction of Artificial Intelligence and Machine learning advanced techniques in network operations. These two prospects will have use-cases that will revolutionize the way network operations will be conducted.

Cybersecurity

As there is no sign of decrease in demand for data services locally and globally, and as our network continues to expand and the world slowly moves towards operating within an interconnected digital universe, the cybersecurity demands of our businesses and customers are becoming exponentially greater and more imposing. For this reason, we constantly strive to attract new human capital and talent that can consistently strengthen and upgrade our Cybersecurity Risk Prevention & Defence Systems, allowing us to protect the data of our customers utilizing state-of-the-art technologies. We have heavily invested in cybersecurity to meet the FIFA challenges and enhanced the coverage of Cyber Security Operations Centre by added controls of host and network-based detection and response and digital risk protection.

Service management

We have completed the order validation simplification program to allow for faster customer activations, more efficient service provision, and timely billing.

Additionally, we have introduced an automation tool (Network Monitoring System and Multi Router Traffic Graphed) to enhance the detection of errors and KPI deviations to improve Network Availability.

PROVIDING MORE TO ENTERPRISE CUSTOMERS

In 2022, market activity has picked up once reaching new highs with the entire country gearing up for the biggest global sports event in history, leaving businesses across all sectors and industries scrambling for ways to optimize and enhance their operations, acquire new solutions and expand their resources in order to capitalize on an unprecedented traffic of demand, and to ensure the delivery of the best experience possible to residents and visitors alike, as a token of national pride.

With that in mind, and in line with our core strategy, Vodafone Qatar sought to continuously deliver innovative solutions that support the transition into a fully digital ecosystem, and encourage users and enterprises of all industries, sizes, categories and backgrounds to adopt digital technologies in their day-to-day activities and operations. Companies and institutions ranging from private to governmental, from small to large, all have trended towards the fast adoption of ICT solutions that can help them expand their scope of operations in record time.

As a trusted partner for digital transformation, our aim was to expand on the IoT footprint in Qatar by diversifying IoT use cases, and enable more industries to explore the potential ways the technology can be leveraged to exponentially increase overall efficiency and performance with the support of advanced ICT solutions.

Because we are growing beyond mobility, our objective this year was to provide our business customers with end-to-end solutions for all their ICT needs, through a diverse product portfolio ranging from fixed, to mobility, to IoT and advanced ICT service along with managed services and more.

From construction, to hospitality and tourism, to education, sports, retail & F&B, we were all keen to contribute to the event in one way or another, ensuring that innovative solutions, state-of-the-art technologies and engaging experiences are brought to life in line with Qatar National Vision 2030.

While for most companies and institutions, 2022 was the year of return to normal, for Vodafone Qatar, it was the year of becoming decidedly better, more innovative and more impactful, than ever before. This year, we didn't only want to bring out our "A game", we wanted to go above and beyond all set expectations, to demonstrate how genuinely committed we are to supporting this country as a whole, and aiding it in realizing a full transition into a fully digital and sustainable ecosystem, leaving behind a notable trail of achievements.

IoT: SHAPING A SUSTAINABLE QATAR | Sustainability has recently been a high-profile and important topic of discussion, with most businesses and governments asking the question: how can we reduce the impact that our operations are having on the planet? Increasingly, the answer lies in next-generation technologies, with the Internet of Things (IoT) at the forefront of driving this change. Vodafone believes in the role IoT will play in Qatar's sustainable future and that together, we can drive significant change to embrace the opportunities that technologies present to help us reduce our environmental impact.

Jan 2022: VODAFONE, MICROSOFT BOOST STRATEGIC PARTNERSHIP: Vodafone Qatar and Microsoft are building on their existing partnership in order to provide more digital solutions to businesses across the country. The companies will integrate their suite of technologies, primarily by incorporating Microsoft Azure as part of Vodafone's IoT range of products and services. Business customers in Qatar including government entities, public and private enterprises will enjoy highly secure, reliable and customizable features and benefits from Vodafone's IoT solutions hosted on Microsoft Azure.

Mar 2022: VODAFONE QATAR ANNOUNCED AS GOLD SPONSOR OF SMART CITY EXPO DOHA 2022: Vodafone Qatar was the Official Gold Sponsor of Smart City Expo Doha 2022, which took place 29-30 March, 2022. Held in Msheireb Downtown Doha, Smart City Expo brought together major stakeholders, experts and professionals from many countries around the world to share ideas and solutions on how to create a better, more sustainable future for cities, and their citizens.

Mar 2022: VODAFONE QATAR TO SUPPORT RAFEEQ WITH DIGITAL SERVICES TO ENHANCE CUSTOMER EXPERIENCE: Vodafone Qatar has announced a new partnership with the Qatari food delivery platform Rafeeq. The two companies are working together to identify how tailored, innovative digital solutions and customer insights based on Big Data, can support Rafeeq to tilizin their operations and enhance customer service and experience. Vodafone's portfolio of business solutions is created to cater for businesses of all sizes across a diverse range of industries. For Rafeeq, Vodafone's Internet of Things (IoT) Fleet Management and Big Data and Advanced Analytics solutions are examples of technologies that can help the food delivery platform meet their business objectives.

Mar 2022: VODAFONE QATAR IS TELECOM SPONSOR OF QATAR INTERNATIONAL SPORTS ENGINEERING CONFERENCE AND EXHIBITION: Vodafone Qatar was the official Telecom sponsor of the Qatar International Sports Engineering Conference and Exhibition, which took place on 27-29 March 2022, at the Qatar National Conference and Convention Centre (QNCC). Throughout the exhibition, Vodafone Qatar showcased its latest solutions within the sports engineering field, through innovative business solutions such as, Push-to-Talk Plus, IoT Fleet Management and Big Data, among others.

Mar 2022: VODAFONE QATAR BECOMES OFFICIAL TECHNOLOGY SPONSOR OF AGRITEQ 2022: Vodafone Qatar was the Official Technology Sponsor of Qatar's 9th International Agricultural and Environmental Exhibition (AgriteQ) and showcased its Internet of Things (IoT) solutions as part of this year's exhibition, taking place at the Doha Exhibition and Convention Centre (DECC) from 10-14 March, 2022. For eight consecutive years, AgriteQ has been at the forefront in providing a platform for local and international agriculture stakeholders to exchange expertise, discover trends and developments, and seize business opportunities across the sector.

May 2022: VODAFONE QATAR LAUNCHES NEW IOT ASSET TRACKING SOLUTION TO MAXIMISE EFFICIENCY OF BUSINESS OPERATIONS: The launch of the new Assets Tracking solution, enables businesses to maximise the efficiency of their operations by tilizing cutting-edge Internet of Things (IoT) technologies. The new end-to-end IoT Asset Tracking solution facilitates the delivery of real-time information such as asset location and environment conditions, can track multiple assets simultaneously as well as deliver alerts and reports. It is suitable for a range of different businesses such as those in the construction or transport industries, those which use heavy machinery or deal in logistics, and those that manage the distribution or delivery of high value goods and movable equipment, to list some examples.

Jun 2022: VODAFONE QATAR ANNOUNCED AS INNOVATION SPONSOR OF PROJECT AND HOSPITALITY QATAR 2022: Vodafone Qatar was the official Innovation Sponsor of the first combined Project Qatar and Hospitality Qatar 2022, which took place 6-9 June, and participated in the event by displaying its latest products, services, and innovative business solutions.

Sept 2022: VODAFONE QATAR NAMED OFFICIAL TECHNOLOGY PROVIDER OF MICROSOFT FOR ITS CLOUD DATACENTER LAUNCH: Vodafone Qatar was the official Technology Provider of the Microsoft Cloud Datacenter Region in Qatar's launch event, which was held on August 31, 2022 in Doha. The datacenter region delivers hundreds of scalable, highly available, and resilient cloud services that empower government entities, organisations, public and private enterprises and developers to accelerate their digital transformation journeys. During the launch ceremony, Vodafone showcased its latest range of Internet of Things (IoT) solutions that have been built on Microsoft Azure and take full advantage of its capabilities. These include its IoT Fleet Management and Asset Tracking solutions, aimed at enhancing operational efficiency for a whole range of sectors, such as those businesses in construction, transport as well as logistics and SME.

Nov 2022: VODAFONE QATAR AND MOWASALAT TO PROVIDE ONE OF THE LARGEST PUBLIC WI-FI ACCESS ON PUBLIC TRANSPORTATION: Vodafone Qatar has partnered with Mowasalat, the official transportation company in Qatar, to launch a public Wi-Fi service for passengers on buses and taxis across the country. The service enables residents, visitors and fans to stay connected via Vodafone's reliable network whilst on the move, throughout events taking place in Qatar until the end of 2022. The new Wi-Fi service provides seamless internet access to customers using over 4000 buses and 1000 taxis in Qatar, delivering an uninterrupted connectivity experience to the public. Passengers using a Mowasalat bus or taxi are able to use the Wi-Fi service whether they are residents or visitors in Qatar. This service was available for free for visiting fans during this year's event.

OUR PEOPLE AND CULTURE

Setting Higher Standards

We had set the bar high for ourselves by meeting the challenges of a world gripped by a crippling pandemic. Navigating the challenges of a post-pandemic socio-economic landscape in 2022 required us to do some out-of-the-box thinking, as we had to adopt to an ever-changing business environment and a fluctuating economic landscape throughout the year. Communication was key to understanding the challenges. We listened to our employees and those in key leadership roles through various surveys and questionnaires. We carefully analysed those feedbacks to identify gaps and areas for improvement. It took us a lot of sheer dedication, unwavering commitment from leadership and board, and passion for innovation to bring about a paradigm shift in the way we work. We set about on a transformation journey moving away from the traditional 'people-process-system' based model to a 'talent-culture-digitalization' model. This is a new beginning and a new direction for Vodafone HR and ancillary services to be Strategic Enablers for growth.

In 2022 we turned every challenge into opportunity. We undertook an exhaustive exercise to review all our HR and Property Management processes and identified areas where we could make tangible and efficacious improvements. The year 2022 will be marked as a turning point in driving efficiency through process optimization by cutting down process cycle time through digitalization and continuous investment in the upskilling and re-skilling of our employees.

We were recognised in 2022 by Ministry of Labour for our efforts on Qatarization and the development of the private sector through our programmes and services. The award highlighted our role in promoting Qatarization, and our commitment to developing Qatari youth. We continuously aim to develop the talents of Qatari youth by providing them with the knowledge and skills they need to build up their careers, and giving them the opportunity to participate in internships that would enable them to enhance their capabilities and competences and expand their future career prospects.

Taking lessons from our interactions with our employees, we launched highly successful workplace communication projects like HR Open House and the hugely popular "Lets Talk". While HR Open House was stylized around a townhall meetings format, Lets Talk gave employees an opportunity to speak to the CHRO directly, face to face, over a cup of coffee.

We had dotted 2022 with many initiatives to engage and create awareness among our employees on healthy living and sustainable behaviours. Among these many initiatives, our employees turned World No Car Day into a grand success by giving up driving in favour of taking the metro or car-pooling. We invited many luminaries to talk on various commemorative days, including World Mental Health Day.

Everyone is a Winner!

We celebrated the first World Cup to be ever held in Qatar alongside everyone else, all the while making sure there were no interruptions to work. The excitement was palpable before the tournament time in our offices when we held different fun activities related to the World Cup including the "Wear Your Colours" jersey day, and we modelled an entire floor to look like a football field! We made arrangements to ensure that every Vodafone employee who had signed up as a volunteer or had a match-day ticket got to enjoy the festive atmosphere by careful work schedule planning. There were dedicated hotlines in place should employees required help of any sort during the World Cup.

Talent Gateway

Talent Gateway is an umbrella of different internship projects at Vodafone, including Discover Program, Project Youth and various sponsorship opportunities. Interns are given real life problems; they are encouraged to approach those problems under the competent and capable mentorship of our finest employees. We are able to use these internships to identify potential high performers who are then offered employment opportunities with us. Among the many internship arrangements we have with different educational institutions, we signed a one of its kind Memorandum of Understanding (MoU)" with University of Doha for Science and Technology (UDST), which includes provisions for cross-sectoral collaboration between various industries and academia, to pave the way for the design of innovative training modules and the strengthening of academic partnerships.

Smart Workplaces of Future

Our offices are a second home for our employees where they work and interact with colleagues. We set forward to make our offices a habitat for productive work and collaboration. We worked extensively to adjust our offices in line with what our employees felt necessary for them to perform optimally.. We also incorporated many class leading initiatives in our Smart Office concept which are not only energy efficient but also constitute a great catalyst for the rapid enhancement of the overall output and performance of our employees. Furthermore, we successfully rolled out a pilot trial for a Smart Parking imitative at our Lusail office, and we plan to extend the trial to include Msheireb HQ, eventually turning this into a company-wide project.

Looking Ahead with Excitement

We have a plethora of projects and initiatives lined up for 2023 and beyond. Our aim is to be nimble, resilient, agile and ready to face any potential future challenges that might hinder our steady stride of consistent growth and progress. To realize this goal, we will continue to optimize our workforce to meet market demands by carefully studying business requirement and investing in custom training courses, capacity building workshops, and development programmes, maintain our digitalization momentum to increase overall operational and procedural efficiency, and hold steady on our commitment to ushering in a greener and more sustainable world through many workforce incentives and initiatives. We have stated it quite clearly, and we do not plan to waver or back-down at any point: Vodafone Qatar will be at the forefront of technological evolution in Qatar through the implementation of the best practices for human resource management.

We are ready, tomorrow is exciting.

WORLD'S
FASTEST
MOBILE
NETWORK

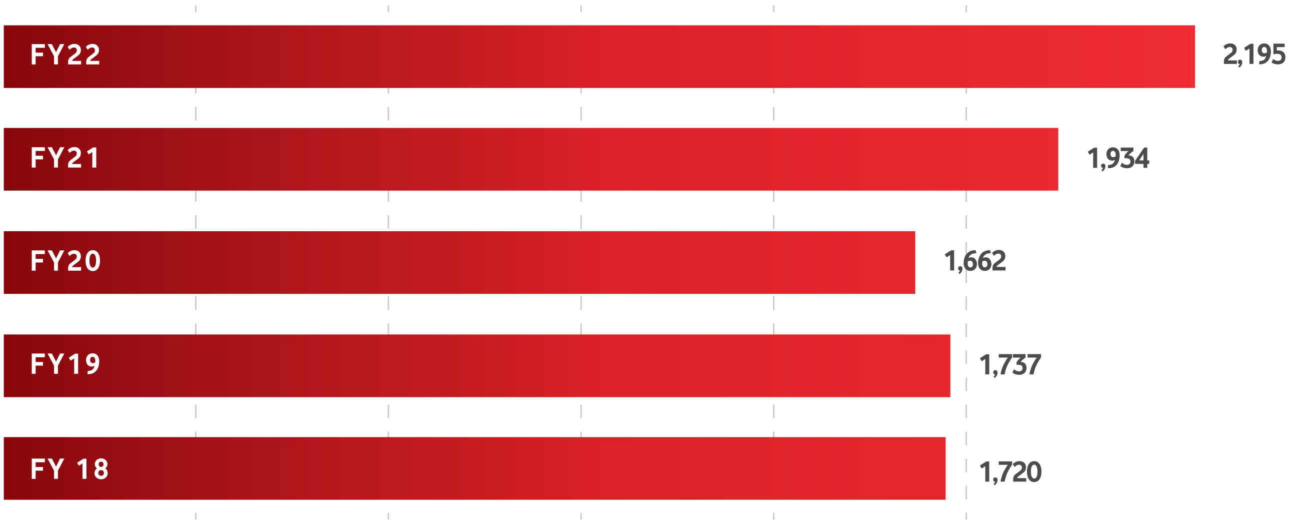
Based on analysis by Ookla®
of Speedtest Intelligence®
data for Q3-Q4 2022 in Qatar.

Financial and Operational Highlights

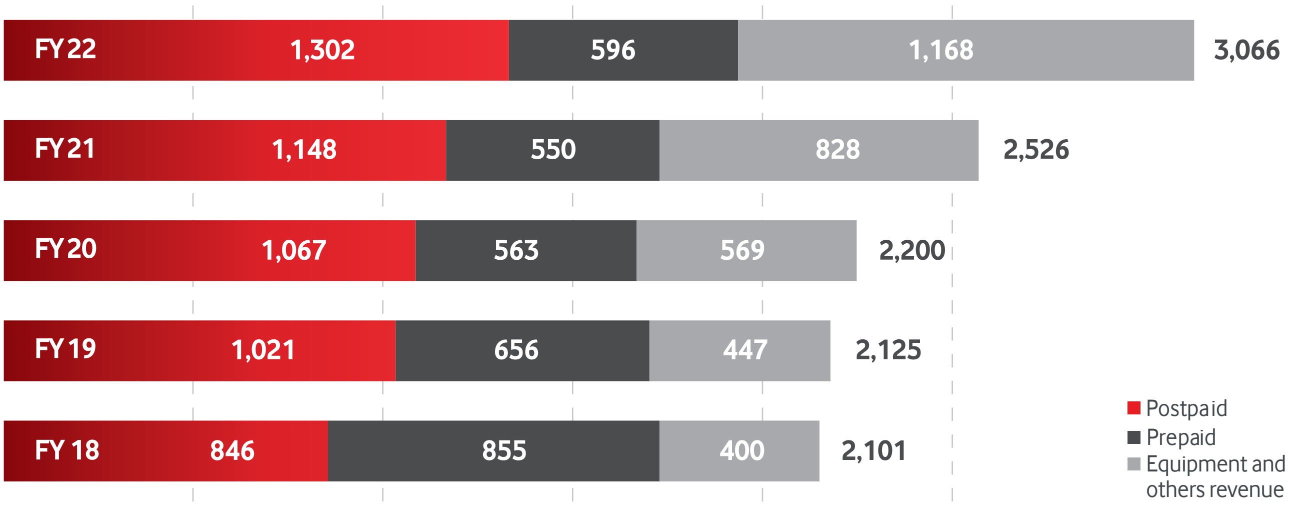
5

Financial and Operational Highlights

Mobile Customers (000)



Revenue (QR m)



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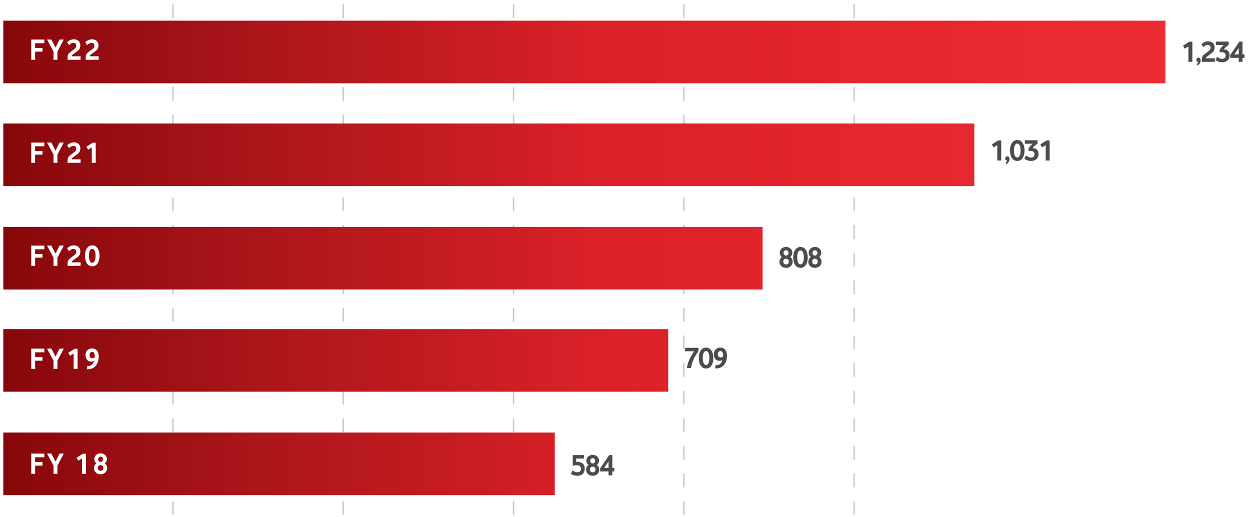
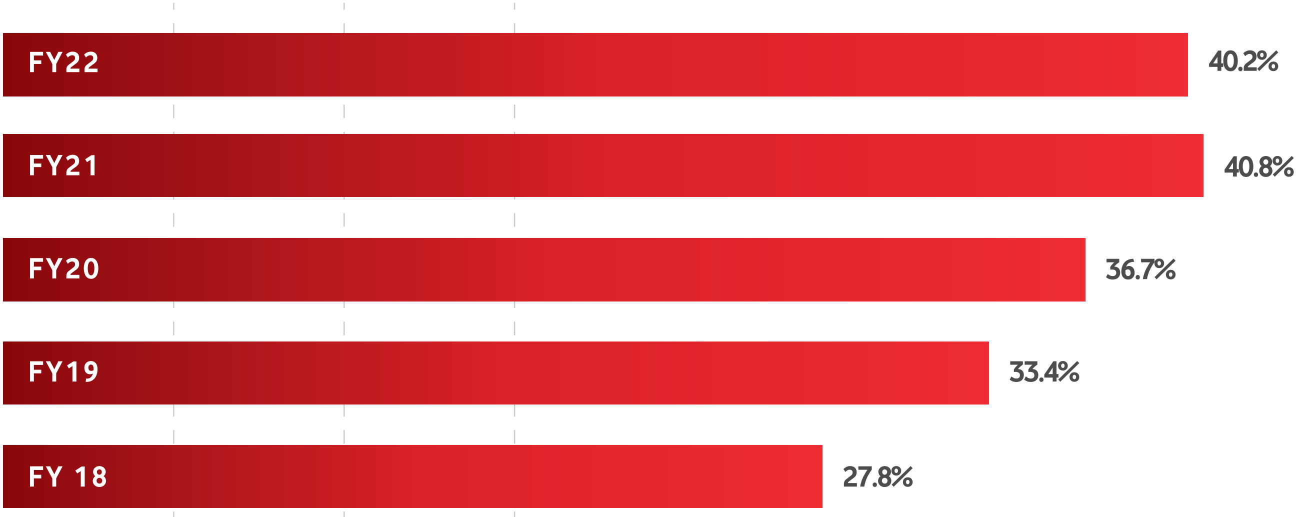
EBITDA (QR m)

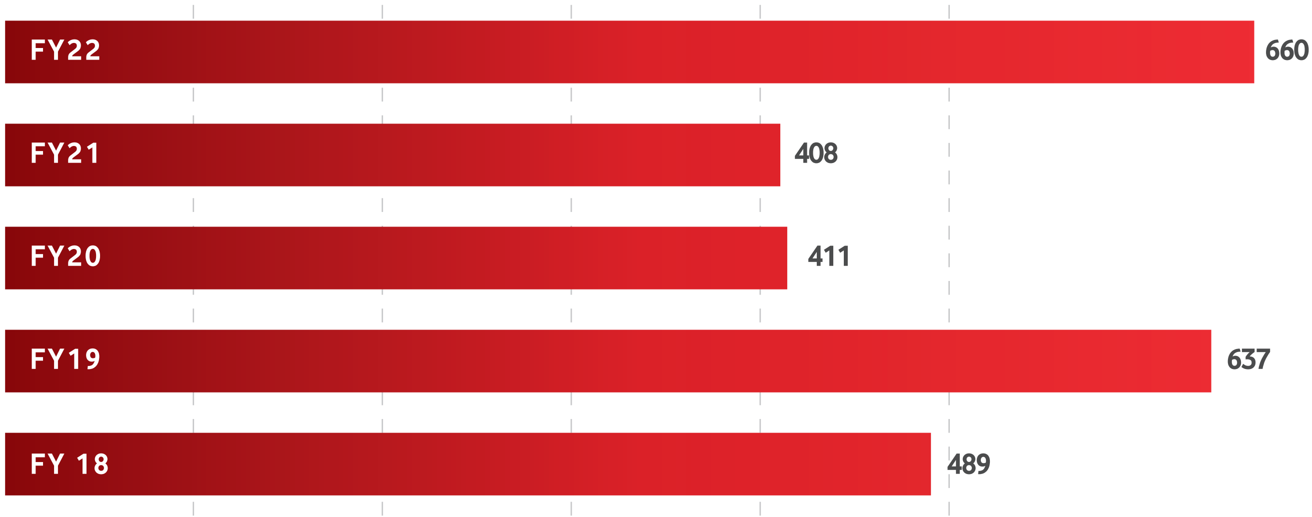


EBITDA Margin (%)

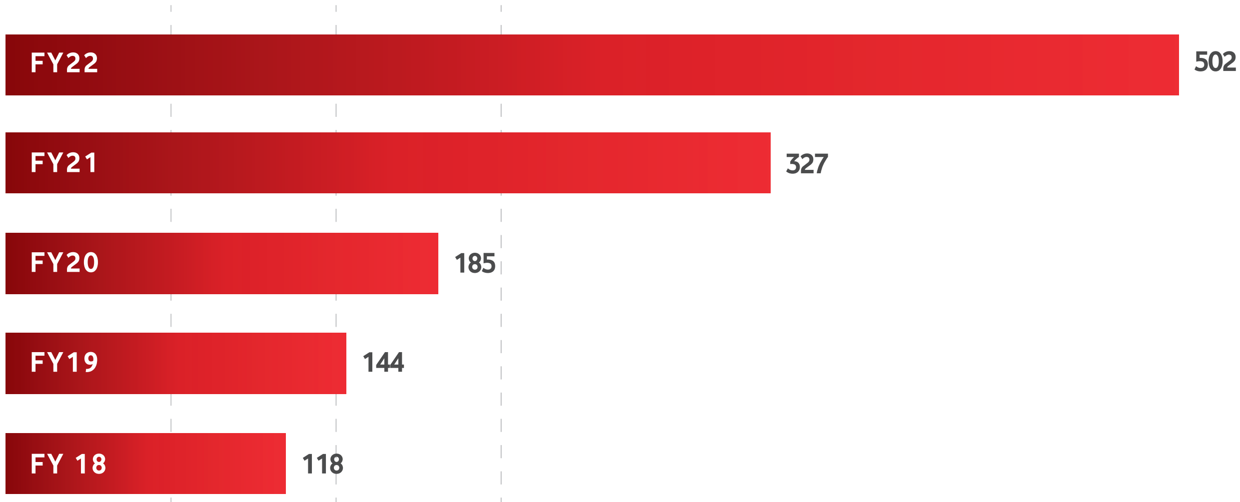


Financial and Operational Highlights

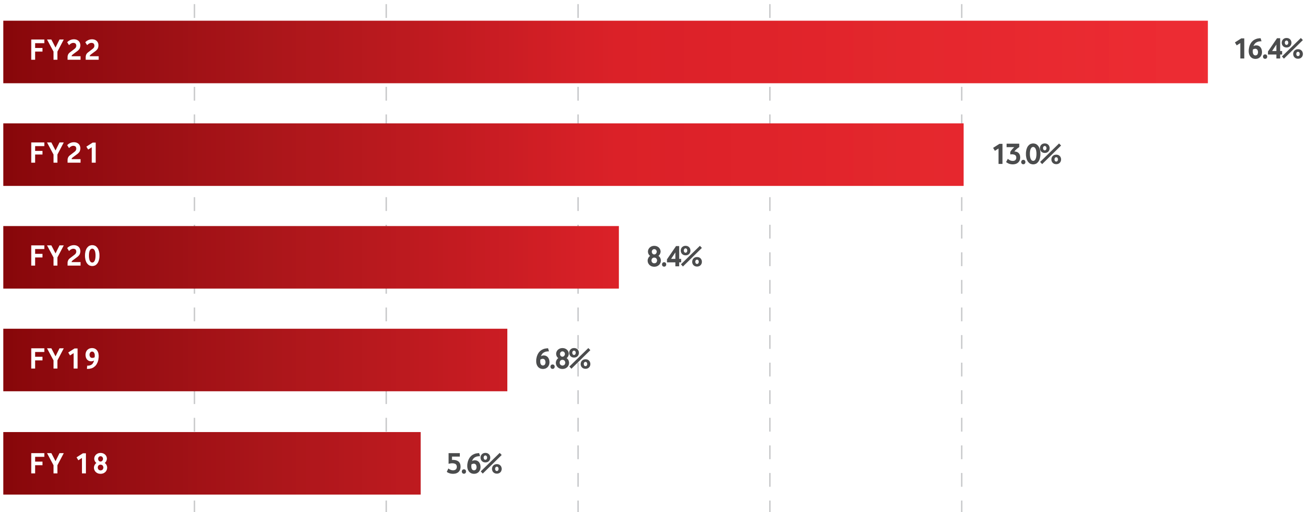
Capital Expenditure (QR m)



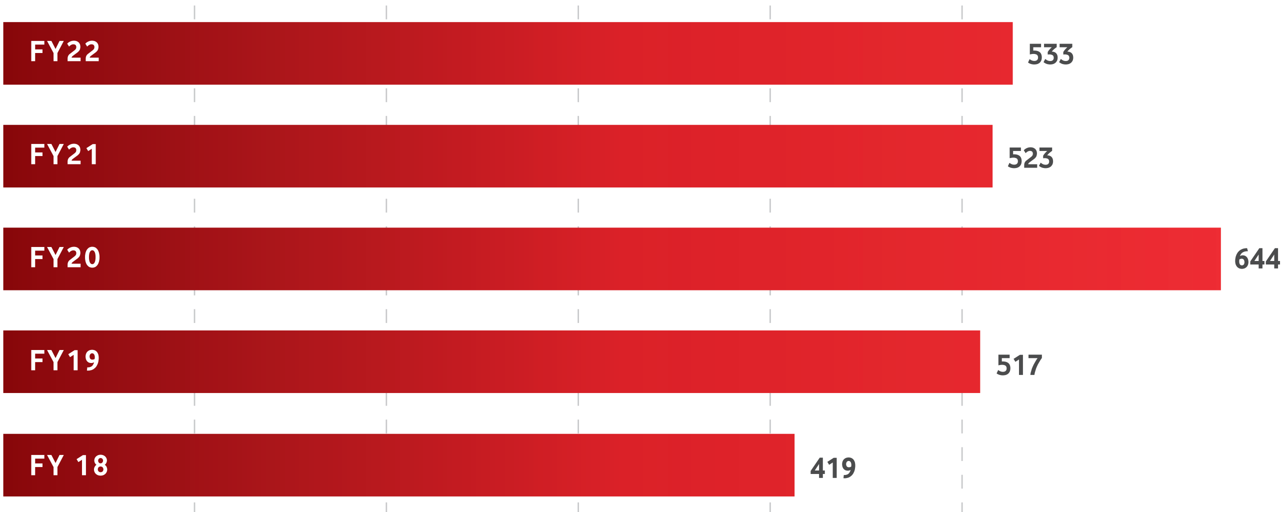
Net Profit (QR m)



Net Profit Margin (%)

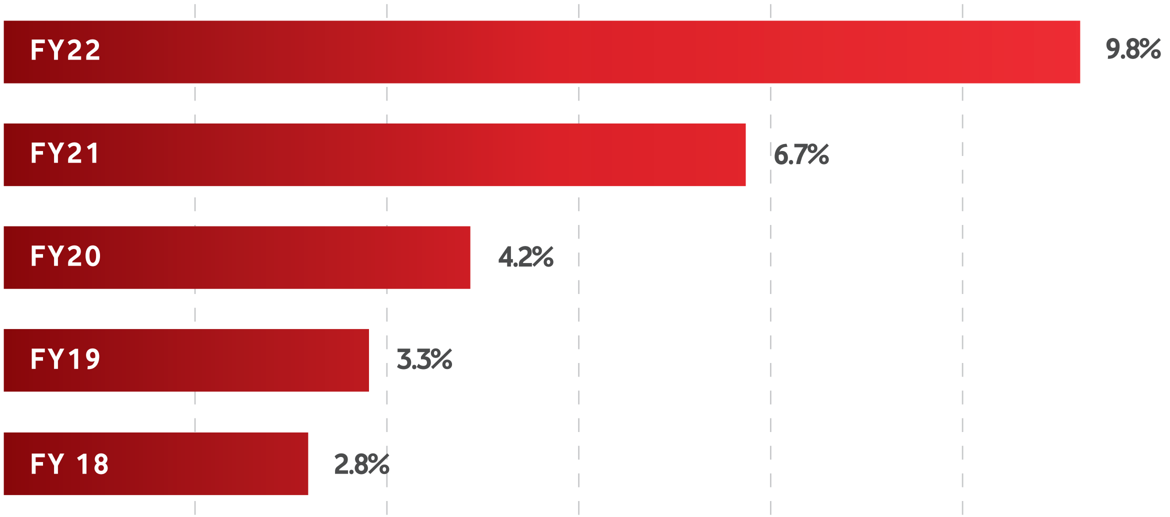


Net Financing Position (QR m)

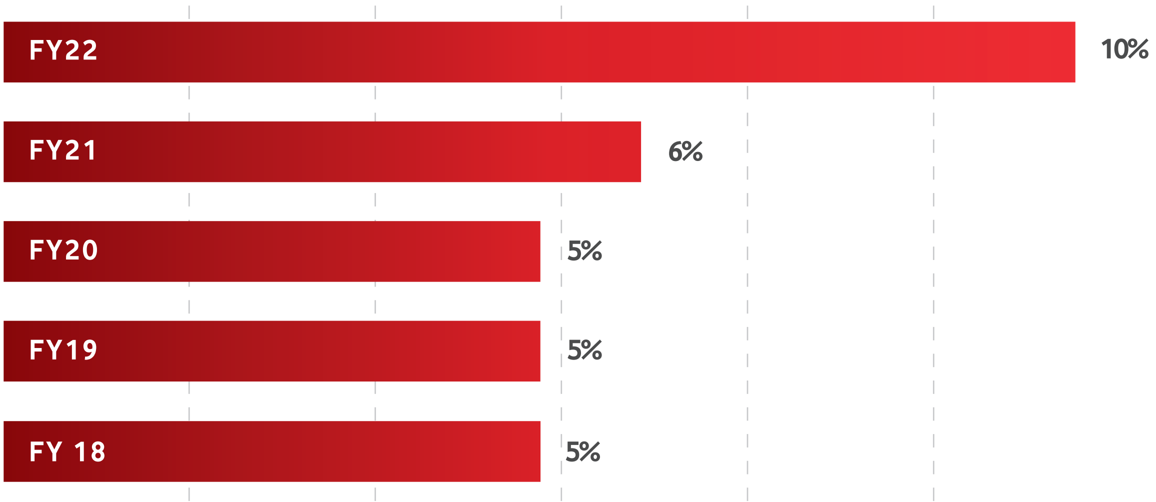


Financial and
Operational
Highlights

Return on Capital Employed (%)



Dividend Declared/Proposed (%)



“We see a key role for our digital networks and technologies in helping to transform Qatar’s workforce, and empowering youth in their journey to a fully digital society.

Consolidated Financial Statements

6

Independent auditors' report

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

Opinion

We have audited the consolidated financial statements of Vodafone Qatar P.Q.S.C (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 judgement, 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.

Independent auditors' report (continued)

The key audit matter (continued)

Revenue recognition and related IT systems

See Notes 3, 5 and 28 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group reported revenue of QR. 3,065,861 thousands from telecommunication and related activities. We focused on this area due to: the complexity of the Information Technology (IT) systems, volume of transactions, involvement of judgements in the application of the revenue recognition accounting standards; and inherent risk around accuracy and occurrence of revenue recorded.	Our audit approach included a combination of test of controls and substantive procedures, in particular, the following: > Obtaining an understanding of the significant revenue processes including performance of an end to end walkthroughs and identifying the relevant controls including IT systems, interfaces, revenue assurance and reports; > Testing the design, implementation and operating effectiveness of key internal controls over recording of revenue including involving our internal specialists to test key automated application and general IT controls; > Performing substantive audit procedures on significant revenue streams including analytical procedures and/or test on the accuracy of invoices on a sample basis, as applicable; > Reviewing key reconciliations performed by the management; > Assessing the appropriateness of the accounting policies adopted in revenue recognition for existing and new revenue streams, (if any); > Assessing the overall presentation, structure and content of revenue related disclosures to the consolidated financial statements to determine if they are in compliance with the IFRS.

Independent auditors' report (continued)

Vodafone Qatar P.Q.S.C

Other Information

The Board of Directors 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 auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement and maintain professional scepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

> Conclude on the appropriateness of the Board of Directors' 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 con-

tinue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 the Board of Directors 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independencwe, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, 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 auditors' 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 Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

1. We have obtained all the information and explanations we considered necessary for the purposes of our audit.
2. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
3. We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.
4. Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.
5. We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2022.

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251
Licensed by QFMA: External
Auditors' License No. 120153

24 January 2023
Doha
State of Qatar

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 QR'000	Year ended 31 December 2021 QR'000
Revenues	5	**3,065,861**	2,525,918
Interconnection and other direct expenses	6	**(1,024,660)**	(855,860)
Network and other operational expenses	7	**(495,474)**	(367,826)
Employee salaries and benefits		**(268,897)**	(242,961)
Depreciation of property, plant and equipment	12	**(339,782)**	(336,775)
Amortisation of intangible assets	13	**(191,459)**	(190,281)
Depreciation of right-of-use assets	14	**(103,740)**	(100,690)
Expected credit losses	15	**(43,245)**	(28,745)
Loss on disposal of property, plant and equipment		**-**	(672)
Industry fee	8	**(54,107)**	(39,367)
Operating profit		**544,497**	362,741
Finance costs	22	**(29,075)**	(30,340)
Other financing costs	9	**(19,270)**	(6,331)
Other income	10	**6,228**	1,327
Profit for the year		**502,380**	327,397
Basic and diluted earnings per share (in QR per share)	11	**0.119**	0.077

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Year ended 31 December 2022 QR'000	Year ended 31 December 2021 QR'000
Profit for the year	502,380	327,397
Other comprehensive income	-	-
Total comprehensive income for the year	502,380	327,397

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	Year ended 31 December	
		2022	**2021**
Non-current assets		**QR'000**	QR'000
Property, plant and equipment	12	**1,884,890**	1,637,538
Intangible assets	13	**4,049,709**	4,168,793
Right-of-use assets	14	**429,538**	291,185
Trade and other receivables	15	**297,930**	92,323
Total non-current assets		**6,662,067**	6,189,839
Current assets			
Inventories	16	**38,222**	34,728
Contract assets	17	**34,898**	33,234
Contract costs	18	**17,271**	8,949
Trade and other receivables	15	**482,533**	346,789
Cash and bank balances	19	**186,770**	189,508
Total current assets		**759,694**	613,208
Total assets		**7,421,761**	6,803,047
Equity			
Share capital	20	**4,227,000**	4,227,000
Legal reserve	21	**126,369**	96,913
Retained earnings		**479,284**	272,540
Total equity		**4,832,653**	4,596,453
Non-current liabilities			
Loans and borrowings	22	**512,117**	506,238
Provisions	23	**102,065**	83,078
Lease liabilities	14	**315,181**	197,059
Total non-current liabilities		**929,363**	786,375
Current liabilities			
Loans and borrowings	22	**207,289**	206,156
Lease liabilities	14	**141,209**	114,913
Trade and other payables	24	**1,311,247**	1,099,150
Total current liabilities		**1,659,745**	1,420,219
Total liabilities		**2,589,108**	2,206,594
Total equity and liabilities		**7,421,761**	6,803,047

These consolidated financial statements were approved by the Board of Directors on 24 January 2023 and were signed on its behalf by:

Abdulla Bin Nasser Al Misnad
Chairman

Rashid Fahad Al-Naimi
Managing Director

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

			Retained earnings			
	Share capital	Legal reserve	Distributable profits	Accumulated losses	Total	Total equity
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance as at 1 January 2021	4,227,000	76,334	437,392	(252,135)	185,257	4,488,591
Profit for the year	-	-	-	327,397	327,397	327,397
Total comprehensive income for the year	-	-	-	327,397	327,397	327,397
Transfer to distributable profits (note 21)	-	-	411,572	(411,572)	-	-
Transfer to legal reserve (note 21)	-	20,579	(20,579)	-	(20,579)	-
Dividend for the year ended 31 December 2020	-	-	(211,350)	-	(211,350)	(211,350)
Transfer to social and sports fund (note 21.1)	-	-	(8,185)	-	(8,185)	(8,185)
Balance as at 31 December 2021	4,227,000	96,913	608,850	(336,310)	272,540	4,596,453
Balance as at 1 January 2022	**4,227,000**	**96,913**	**608,850**	**(336,310)**	**272,540**	**4,596,453**
Profit for the year	-	-	-	502,380	502,380	502,380
Total comprehensive income for the year	-	-		502,380	502,380	502,380
Transfer to distributable profits (note 21)	-	-	589,137	(589,137)	-	-
Transfer to legal reserve (note 21)	-	29,456	(29,456)	-	(29,456)	-
Dividend for the year ended 31 December 2021 (note 30)	-	-	(253,620)	-	(253,620)	(253,620)
Transfer to social and sports fund (note 21.1)	-	-	(12,560)	-	(12,560)	(12,560)
Balance as at 31 December 2022	**4,227,000**	**126,369**	**902,351**	**(423,067)**	**479,284**	**4,832,653**

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 QR'000	2021 QR'000
Cash flows from operating activities			
Net profit for the year		**502,380**	327,397
Adjustments for:			
Depreciation of property, plant and equipment	12	**339,782**	336,775
Amortisation of intangible assets	13	**191,459**	190,281
Depreciation of right-of-use assets	14	**103,740**	100,690
Expected credit losses	15	**43,245**	28,745
Other income		**(6,228)**	(1,327)
Other financing costs		**19,270**	6,331
Finance costs		**29,075**	30,340
Loss on disposal of property, plant and equipment		**-**	672
Change in operating assets and liabilities			
Increase in inventories		**(3,494)**	(12,880)
Increase in trade and other receivables		**(358,599)**	(170,009)
Increase in contract assets		**(1,664)**	(11,231)
Increase in contract costs		**(8,322)**	(5,926)
Increase in trade and other payables		**219,368**	66,044
Increase in provisions		**16,421**	10,986
Cash generated from operations		**1,086,433**	896,888
Finance costs paid		**(27,063)**	(30,762)
Other income received		**554**	193
Net cash flows from operating activities		**1,059,924**	866,319
Cash flows used in investing activities			
Purchase of property, plant and equipment	12	**(587,134)**	(340,896)
Purchase of intangible assets	19.2	**(104,380)**	(90,940)
Advances for long term lease		**(19,769)**	-
Proceeds from disposal of property, plant and equipment		**-**	171
Net cash flows used in investing activities		**(711,283)**	(431,665)
Cash flows used in financing activities			
Proceeds from loans and borrowings	22	**310,000**	380,000
Repayment of loans and borrowings	22	**(305,000)**	(487,500)
Dividend paid	24.2	**(250,493)**	(215,793)
Payment of lease liabilities	14	**(105,886)**	(96,707)
Movement in restricted bank accounts	19.1	**(3,127)**	4,443
Net cash flows used in financing activities		**(354,506)**	(415,557)
Net (decrease) / increase in cash and cash equivalents		**(5,865)**	19,097
Cash and cash equivalents at the beginning of the year		**170,543**	151,446
Cash and cash equivalents at the end of the year	19	**164,678**	170,543

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Vodafone Qatar P.Q.S.C. (the "Company") is registered as a Qatari Shareholding Company for a twenty- five-year 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) (formerly known as Supreme Council of Information and Communication Technology (ictQATAR)) 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 Qatar Foundation Endowment LLC. 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.

As at the current and comparative reporting date, the Company has the following subsidiaries, which together with the Company constitutes the "Group":

Subsidiary companies	Location	Nature of business	Holding
Infinity Solutions LLC	Qatar	Operational and administrative services	100%
Infinity Payment Solutions W.L.L	Qatar	Electronic payment services	100%

During the year, the subsidiary, Infinity payment solutions W.L.L, was granted a license by Qatar Central Bank (QCB) to provide electronic payment services to its customers in Qatar. The subsidiary started its commercial operations, effectively from 29 August 2022.

2 BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Accounting convention

These consolidated financial statements are prepared on a historical cost basis.

Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentation currency. All the financial information presented in these consolidated financial statements has been rounded off to the nearest thousand (QR'000) except where otherwise indicated.

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS 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 date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting year. For a discussion on the Group's critical accounting estimates see "Critical accounting judgments and key sources of estimation uncertainty" under note 28. Actual results could differ from those 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.

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are consistently applied to all periods presented in these consolidated financial statements, and have been applied consistently by the Group:

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its Subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the control commences until the date on which the control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated upon consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiaries are consistent with the policies adopted by the Group.

If the subsidiary is not fully owned, non-controlling interests in the results and equity of the subsidiary are shown separately in the consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Changes in ownership interest

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in statement of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Revenue recognition

The Group recognises revenue from providing the following telecommunication services: access charges, airtime, data usage, messaging, interconnect fees, data broadband, IPTV service, installation and configuration, information provision, connection fees and equipment sales and management .

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Stand-alone selling prices

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately (e.g. one off complex sale of equipment and installation projects) the Group estimates standalone selling prices using other methods (i.e. adjusted market assessment approach, cost plus margin approach or residual approach).

Significant financing component

The Group has decided to recognize interest income at appropriate annual interest rate over the contract period and total transaction price excluding financing component is recognized when equipment and services are delivered to customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from mobile services

Revenue from access charges, airtime usage and messaging by contract customers is recognised as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires. Revenue from data services and information provision is recognised when the Group has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service. Revenue from interconnect fees is recognised at the time the services are performed. The Group has offerings where it provides customers with additional content, such as music and video streaming and SMS services, as Value-Added Services (VAS). On this type of service, the Group determines whether they are acting as a principal and accordingly recognizes gross revenue if it is a principal, and net revenue if it is an agent.

Sale of equipment, related services and accessories

The Group sells equipment/accessories both to the wholesale market and directly to customers through its own retail outlets. Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

For sale of equipment to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the wholesaler's specific location (delivery). Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sales of equipment to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the equipment.

Sale of equipment involving provision of the related installation, configuration, and maintenance where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized by reference to the stages of completion.

Under the Group's standard contract terms, customers have a right of return within 7 days. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of immaterial returns over previous years.

Fixed line services

The Group offers fixed services which normally include installation and configuration services, internet connectivity, television, and telephony services. Fixed service revenue is recognized over the contract period.

Interconnection and other direct expenses

Interconnection and other expenses include interconnection charges, commissions and dealer charges, regulatory costs, cost of equipment sold, and other direct and access costs.

Interconnection and roaming costs

Costs of network interconnection and roaming with other domestic and international telecommunications operators are recognised in the consolidated statement of income on an accrual basis based on the actual recorded traffic usage.

Commissions and dealer costs

Intermediaries are given cash incentives by the Group to connect new customers, upgrade existing customers, bill payments and distribution of recharge cards. These cash incentives are recognised in consolidated statement of income on an accrual basis, except for commission related to the acquisition of new customers is capitalised and amortised over the minimum contract period.

Regulatory costs

The annual license fee, spectrum charges and numbering charges are accrued as other operational expenses based on the terms of the License Fee Agreement and relevant applicable regulatory framework issued by the CRA.

Leases – as a lessee

The Group leases various exchange and network assets, buildings, offices and duct access. Rental contracts are typically made for fixed periods of 5-10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and leased assets are not used as security for borrowing purposes.

The Group assesses whether 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 certain short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. 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.

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

> fixed lease payments (including in-substance fixed payments), less any lease incentives;

> 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; and

> lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of lease if the Group is reasonably certain for early termination early.

The lease liability is presented as a separate line item 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 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 change in the assessment of exercise of a purchase option, or renewal /termination 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 the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise 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 by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of 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 of 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 an identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The expenses are recognised in the period in which the event or condition triggers that those payments occurs and are included in the consolidated statement of income.

As a practical expedient, IFRS16 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 used this practical expedient.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at the currency rate prevailing at the date of the transaction. Any differences on settlement of the transaction are immediately recognised in the consolidated statement of income. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Borrowing costs

The borrowing costs incurred on funding construction of qualifying assets are capitalised as being part of cost of construction. All other borrowing costs are recognised on an accrual basis using the effective yield method in the consolidated statement of income during the year in which they arise.

Income tax

As per Income Tax Law No. 24 of 2018, corporate income tax is levied on companies that are not wholly owned by Qataris, based on the net profit of the company. As per the provisions of the law, the Company is not subject to corporate income tax being listed entity on Qatar Stock Exchange.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Assets in the course of construction are carried at cost, less any recognised impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. The costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable for bringing the assets to a working condition for their intended use, capitalised borrowing costs and estimated discounted costs for dismantling and restoration of the sites, where the Group has an obligation to restore the sites.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of income.

Depreciation

Depreciation of these assets commences when the assets are ready for use as intended by the management. Depreciation is charged so as to write off the cost of assets less residual value, other than assets under construction, over their estimated useful lives using the straight-line method as follows:

Network and equipment	2 - 25 years
Furniture and fixtures	5 years
Vehicles	5 years

Derecognition

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

Capital work in progress

Capital work-in-progress is transferred to the related property, plant and equipment or intangible assets when the construction or installation and related activities necessary to prepare the property, plant and equipment or intangible assets for their intended use have been completed, and related assets are ready for operational use.

Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits will flow to the Group and the cost of the asset can be reliably measured. Intangible assets include license fees, software and indefeasible rights of use (“IRU”). Intangible assets with finite useful lives are subsequently carried at cost less accumulated amortization and impairment loss, if any.

License

Licences are stated at cost less accumulated amortisation. The amortisation period is determined primarily by reference to the unexpired licence period, the conditions for the licence renewal and whether licences are dependent on specific technologies. Amortisation is charged to the consolidated statement of income on a straight-line basis over the estimated useful lives from the commencement of service of the network.

Indefeasible rights of use ("IRU")

IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an intangible asset when the Group has the indefeasible right to use a specific asset, generally specific optical fibres or dedicated wavelengths on specific cables, and the duration of the right is for the major part of the underlying asset's economic life. IRU's are considered as intangible assets with finite lives based on the contractual period/term.

Other finite lived intangible assets (including software)

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in consolidated statement of income on a straight-line basis (2 to 5 years).

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial 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 in order to determine the extent, if any, of the impairment loss. Recoverable amount is the higher of value in use and fair value less cost of disposal. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 the consolidated statement of income.

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, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised immediately in the consolidated statement of income.

Inventories

Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average cost and comprises direct materials cost and, where applicable, direct labour cost and those overheads that have been incurred in bringing the inventories to their present location and condition.

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

Provisions

Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period of one year, calculated under the provisions of Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Under Law No. 24 of 2002 on Retirement and Pension, the Group is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Asset retirement obligations

In the course of the Group's activities, a number of sites and other assets are expected to be restored and costs are expected to be incurred in relation to the asset decommissioning after eight years (of initial recognition of asset). Provisions related to decommissioning of assets are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability, with the same corresponding amount added to the asset. The unwinding of the discount is recognised as finance cost

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

Other 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 the 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.

Financial Instruments

Non-derivative financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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 and subsequent measurement of financial assets

(i) Debt instruments designated at amortised cost

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

> the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

> the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

> the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

> the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

> the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

> the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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.

Amortised cost and effective interest rate method

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (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.

Financial assets recognised by the Group include:

Trade receivables

Trade receivables normally do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances, historical experience or when the counterparty has been placed under liquidation or entered into bankruptcy proceedings.

Individual trade receivables are provided as per Expected Credit Loss ("ECL") policy and written off when management deems them not to be collectible based on above mentioned criteria.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits (e.g. Mudaraba) that are readily convertible to a known amount of cash with the original maturity of three months or less and are subject to an insignificant risk of change in value.

Derecognition of financial assets

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

the contractual rights to receive cash flows from the asset have expired;

the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or

the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises loss allowances for Expected Credit Loss (ECL) on financial assets measured at amortised cost.

The Group measures loss allowance either at an amount equal to:

> lifetime ECL, which are those ECL that result from all possible default events over the expected life of a financial instruments; or

> 12-month ECL, which includes the portion of ECL that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

For the financial assets, except for the cash at bank, the Group applied the simplified approach to measuring ECL which recognises the lifetime ECL of these assets that reflect an increased credit risk.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Loss allowances on bank balances are always measured at an amount equal to 12-month ECL. The Group considers bank balances and term deposit receipts to have a low risk level when their credit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

risk rating is equivalent to the globally understood definition of “investment grade”.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of impairment

Provision for impairment of trade receivables is deducted from gross carrying value of trade receivables and impairment losses relating to trade receivables are separately presented in the consolidated statement of income.

Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group’s financial liabilities include trade and other payables, loans and borrowings and lease liabilities.

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.

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. Foreign exchange gains and losses on financial liabilities that are not part of a designated hedging relationship are recognised in consolidated statement of income. 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 statement of income for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of income.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently 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.

Share capital

Ordinary shares issued by the Company are classified as equity.

Dividend on ordinary share capital

Dividend distributions to the Group's shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividend is approved by the shareholders. Dividend for the year that is approved after the consolidated statement of financial position date is dealt with as a non-adjusting event after the balance sheet date.

4 SEGMENT REPORTING

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.

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. Set out below is the information regarding Group's operating segments in accordance with IFRS 8 Operating Segments

	Year ended 31 December					
	2022			2021		
	Consumer	**Enterprise & others**	**Total**	Consumer	Enterprise & others	Total
		QR'000			QR'000	
Segment revenue						
Timing of revenue recognition:						
Over time	**1,632,660**	**1,248,903**	**2,881,563**	1,442,577	907,335	2,349,912
Point in time	**-**	**184,298**	**184,298**	-	176,006	176,006
	1,632,660	**1,433,201**	**3,065,861**	1,442,577	1,083,341	2,525,918
Unallocated costs						
Interconnection and other direct expenses			**(1,024,660)**			(855,860)
Network and other operational expenses			**(495,474)**			(367,826)
Employee salaries and benefits			**(268,897)**			(242,961)
Expected credit losses			**(43,245)**			(28,745)
Depreciation and amortisation			**(634,981)**			(627,746)
Loss on disposal of property, plant and equipment			**-**			(672)
Industry fee			**(54,107)**			(39,367)
Operating profit			**544,497**			362,741
Finance costs			**(29,075)**			(30,340)
Other financing costs			**(19,270)**			(6,331)
Other income			**6,228**			1,327
Profit for the year			**502,380**			327,397

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

5 REVENUES

	Year ended 31 December	
	2022	2021
	QR'000	QR'000
Revenue from post-paid mobile services	**1,302,054**	1,147,714
Revenue from pre-paid mobile services	**596,022**	549,761
Sale of equipment, related services and accessories	**448,940**	295,542
Other revenues	**718,845**	532,901
	3,065,861	2,525,918

Other revenues include broadband, managed services, visitor roaming, wholesale and others.

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines:

	Year ended 31 December	
	2022	2021
	QR'000	QR'000
Disaggregation of revenue – over time		
Pre-paid and post-paid services	**1,898,076**	1,697,475
Sale of equipment, related services and accessories	**264,642**	119,536
Other revenue	**718,845**	532,901
	2,881,563	2,349,912
Disaggregation of revenue – at a point in time		
Sale of equipment, related services and accessories	**184,298**	176,006
	184,298	176,006
Total revenue	**3,065,861**	2,525,918

Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.

The transaction price allocated to (partially) unsatisfied performance obligations as at 31 December 2022 amounted to QR 122.4 million (2021: QR 98.6 million). Management expects 100% of the transaction price allocated to the unsatisfied contracts as of the year ended 31 December 2022 will be recognised as revenue during the next financial year.

6 INTERCONNECTION AND OTHER DIRECT EXPENSES

	Year ended 31 December	
	2022	2021
	QR'000	QR'000
Interconnection and roaming costs	**366,789**	378,557
Equipment and other direct costs	**430,639**	291,384
Commissions and dealer costs	**162,902**	130,118
Regulatory costs	**64,330**	55,801
	1,024,660	855,860

7 NETWORK AND OTHER OPERATIONAL EXPENSES

	Year ended 31 December	
	2022	**2021**
	QR'000	QR'000
Other operational and network expenses	**457,744**	331,537
Leased lines, capacity, and short-term leases	**37,730**	36,289
	495,474	367,826

8 INDUSTRY FEE

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 from regulated activities.

9 OTHER FINANCING COSTS

Other financing costs include interest expense on lease liabilities amounting to QR 13.0 million (2021: QR 15.1 million) (note 14), unwinding of discounted portion of asset retirement obligations (note 23.2) amounting to QR 2.6 million (2021: QR 2.2 million), and certain other ancillary costs.

10 OTHER INCOME

	Year ended 31 December	
	2022	**2021**
	QR'000	QR'000
Interest income (note 10.1)	**5,346**	-
Profit from Mudaraba	**554**	193
Lease rent concessions	**-**	1,134
Others	**328**	-
	6,228	1,327

10.1 Interest income is recognized on long term receivables that have significant financing component at an appropriate market interest rate.

11 BASIC AND DILUTED EARNINGS PER SHARE

	Year ended 31 December	
	2022	**2021**
Profit for the year (QR '000)	**502,380**	327,397
Weighted average number of shares (in thousands)	**4,227,000**	4,227,000
Basic and diluted earnings per share (QR)	**0.119**	0.077

There is no dilutive element and hence the basic and diluted shares are the same.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

12 PROPERTY, PLANT AND EQUIPMENT

	Network and equipment	Furniture and fixtures	Vehicles	Assets under construction	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
Cost:					
At 1 January 2021	3,118,545	252,836	390	230,524	3,602,295
Additions	213,770	60,842	-	66,284	340,896
Transfers	146,746	965	-	(147,711)	-
Reclassification	(13,600)	-	-	-	(13,600)
Disposals	(10,717)	(6,409)	-	-	(17,126)
At 31 December 2021	3,454,744	308,234	390	149,097	3,912,465
Additions	40,454	1,593	774	544,313	587,134
Transfers	509,243	12,186	-	(521,429)	-
At 31 December 2022	**4,004,441**	**322,013**	**1,164**	**171,981**	**4,499,599**
Accumulated depreciation:					
At 1 January 2021	1,740,045	215,493	59	-	1,955,597
Charge for the year	318,161	18,536	78	-	336,775
Reclassification	(1,162)	-	-	-	(1,162)
Disposals	(10,717)	(5,566)	-	-	(16,283)
At 31 December 2021	2,046,327	228,463	137	-	2,274,927
Charge for the year	317,366	22,274	142		339,782
At 31 December 2022	**2,363,693**	**250,737**	**279**	**-**	**2,614,709**
Net book value:					
At 31 December 2022	**1,640,748**	**71,276**	**885**	**171,981**	**1,884,890**
At 31 December 2021	1,408,417	79,771	253	149,097	1,637,538

13 INTANGIBLE ASSETS

	License	Software	Indefeasible right to use	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 January 2021	7,726,000	1,254,181	61,533	9,041,714
Additions	-	67,024	-	67,024
Disposals	-	(126)	-	(126)
Reclassification	-	13,600	-	13,600
At 31 December 2021	7,726,000	1,334,679	61,533	9,122,212
Additions	-	72,375	-	72,375
At 31 December 2022	**7,726,000**	**1,407,054**	**61,533**	**9,194,587**
Accumulated amortisation:				
At 1 January 2021	3,744,857	1,000,696	16,549	4,762,102
Charge for the year	84,093	100,263	5,925	190,281
Disposals	-	(126)	-	(126)
Reclassification	-	1,162	-	1,162
At 31 December 2021	3,828,950	1,101,995	22,474	4,953,419
Charge for the year	84,093	101,438	5,928	191,459
At 31 December 2022	**3,913,043**	**1,203,433**	**28,402**	**5,144,878**
Net book value:				
At 31 December 2022	**3,812,957**	**203,621**	**33,131**	**4,049,709**
At 31 December 2021	**3,897,050**	**232,684**	**39,059**	**4,168,793**

13.1 The license, mainly represents mobile license from CRA, which is valid till 2068.

13.2 The net book value of software includes software under development amounting to QR 19.8 million (2021: QR 25.3 million) which is not amortised.

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

Below is the movement in right-of-use assets:

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**291,185**	371,621
Re-assessment of lease term (Note 28)	**173,979**	-
Additions to right-of-use assets	**68,114**	20,254
Depreciation charge for the year	**(103,740)**	(100,690)
Balance at end of the year	**429,538**	291,185

The recognised right-of-use assets relate to the following types of assets:

	31 December 2022	31 December 2021
	QR'000	QR'000
Exchange and network assets	**282,444**	171,621
Buildings/ offices	**106,604**	99,056
Duct access	**40,490**	20,508
Total right-of-use assets	**429,538**	291,185

Below is the movement in lease liabilities:

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**311,972**	385,650
Re-assessment of lease term (Note 28)	**173,979**	-
New leases added during the year	**68,114**	20,254
Interest expense for the year	**13,033**	15,057
Offsetting of balances (note 31)	**(4,822)**	(11,148)
Payments made during the year	**(105,886)**	(96,707)
Rent waivers received during the year	**-**	(1,134)
Balance at end of the year	**456,390**	311,972

Presented in consolidated statement of financial position as:

Non-current lease liabilities	**315,181**	197,059
Current lease liabilities	**141,209**	114,913
	456,390	311,972

15 TRADE AND OTHER RECEIVABLES

	31 December 2022	31 December 2021
	QR'000	QR'000
Non-current assets:		
Trade receivables (note 15.1)	**235,346**	70,200
Prepayments	**42,815**	22,123
Advances for long term lease	**19,769**	-
	297,930	92,323
Current assets:		
Trade and other receivables – net (note 15.2)	**443,136**	294,332
Prepayments	**26,733**	22,038
Due from related parties (note 25)	**12,664**	30,419
	482,533	346,789

15.1 Trade receivables include interest receivable amounting to QR 5.3 million (2021: Nil).

15.2 Trade and other receivables are net of the expected credit losses (ECL) amounting to QR 158.6 million (2021: QR 111.2 million).

No interest is charged on outstanding trade receivables except for certain receivables which are long term in nature. The Group measures the loss allowance for trade receivables component at an amount equal to lifetime ECL. The expected credit losses on trade receivables without significant financing component are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The receivables usually have settlement terms within 30- 90 days. The Group has recognised a loss allowance of 100% against all non-government receivables over 180 days past due because historical experience has indicated that recovery from these receivables are negligible.

The expected credit losses on trade receivables with significant financing component are estimated for life time ECL by reference to the debtor credit risk.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

15 TRADE AND OTHER RECEIVABLES (continued)

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include:

> development of ECL models, including the various formulas and choice of inputs

> determining the criteria if there has been a significant increase in credit risk, therefore allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment

> the segmentation of financial assets when their ECL is assessed on a collective basis

> determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs); and

> selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

31 December 2022	**Not Due**	**Up to 30 days**	**31 – 90 days**	**91–180 days**	**Above 180 days**	**Total**
	QR'000	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Expected credit loss rate	**0%**	**5%–9%**	**10%–66%**	**40%–83%**	**100%**	
Gross carrying amount	**241,928**	**317,041**	**77,102**	**47,488**	**153,507**	**837,066**
Loss allowance						**158,584**

31 December 2021	Not Due	Up to 30 days	31 – 90 days	91–180 days	Above 180 days	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Expected credit loss rate	0%	3%–8%	12%–61%	30%–84%	100%	
Gross carrying amount	115,000	173,477	55,602	13,626	118,012	475,717
Loss allowance						111,185

There is no loss allowance provided against bank balances, contract asset and due from related parties as there is no material expected credit loss risk associated with these financial assets.

The following table shows the movement in expected credit losses that was recognised against trade and other receivables:

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**111,185**	149,836
Expected credit loss recognised during the year	**43,245**	28,745
Collection from previously written off balances	**4,154**	2,163
Write offs during the year	**-**	(69,559)
Balance at end of the year	**158,584**	111,185

16 INVENTORIES

	31 December 2022	31 December 2021
	QR'000	QR'000
Handsets	**27,938**	24,966
Scratch cards and accessories	**10,284**	9,762
	38,222	34,728

Inventory is reported net of allowance for obsolescence, an analysis of which is as follows:

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**4,570**	3,940
Amounts charged to consolidated statement of income	**1,789**	650
Write offs during the year	**(82)**	(20)
Balance at end of the year	**6,277**	4,570

17 CONTRACT ASSETS

Amounts relating to contract assets are balances earned but not yet billed to the customers. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Payment for telecommunication services is not due from the customer until the bill cycle is complete and therefore a contract asset is recognised over the period in which the telecommunication services are performed to represent the Group's right to consideration for the services transferred to date.

There were no impairment losses recognised on any contract asset in the reporting period (2021: QR Nil). The management of the Group always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects.

18 CONTRACT COSTS

Contract costs represent customers acquisition cost amounting to QR 7 million (2021: QR 8.7 million) incurred by the Group which are amortised over the customers' lock in period, and cost of unfulfilled performance obligation amount to QR 10.2 million (2021: QR 0.2 million) which will be recognized in the consolidated statement of income upon completion of the respective performance obligation.

19 CASH AND CASH EQUIVALENTS

Cash and bank balances at the end of the financial year as shown in the consolidated statement of cash flows are as follows:

	31 December 2022	31 December 2021
	QR'000	QR'000
Cash at bank	**186,680**	189,418
Cash on hand	**90**	90
Total cash and bank balances	**186,770**	189,508
Less: Balance with restricted bank accounts – note 19.1	**(22,092)**	(18,965)
Cash and cash equivalents	**164,678**	170,543

19.1 This comprises funds maintained for uncollected shareholder dividends as per note 24.2.

19.2 Purchase of intangible assets amounting to QR 104.4 million (2021: QR 90.9 million), as disclosed in consolidated statement of cash flows, includes a payment of QR 32 million (2021: QR 23.9 million) for assets capitalized in prior years but paid during current year.

20 SHARE CAPITAL

	31 December 2022		31 December 2021	
	Number	**QR'000**	Number	QR'000
Ordinary shares authorised, allotted, issued and fully paid:				
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.

21 LEGAL RESERVE AND DISTRIBUTABLE PROFITS

The Company was incorporated under Article 68 of the Qatar Commercial Companies' Law No. 5 of 2002. This law was subsequently replaced by Qatar Commercial Companies Law No.8 of 2021.

The Articles of Association of the Company were amended after the introduction of Qatar Commercial Companies Law No.8 of 2021 and subsequently approved by the Ministry of Commerce and Industry.

The legal reserve and distributable profits of the Company are determined in line with Article 75 and 76 of its Article of Association.

Legal reserve:

The excess of issuance fees collected over the issuance cost during the initial public offering of the ordinary shares has been transferred to the legal reserve as required by Article 154 of Qatar Commercial Companies Law No. 5 of 2002. Further, as per the articles of association of the Company, 5% of annual distributable profits of the Company 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. The legal reserve may not be wholly or partially distributed to the shareholders or capitalized, except upon the recommendation of the board of directors and approval of the annual general assembly of shareholders.

Distributable profits:

As per the articles of association of the Company, distributable profits are defined as the reported net profit/loss of the Company for the financial year plus amortisation of license fees for the year. 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:

	Year ended			
	31 December 2022		**31 December 2021**	
	QR'000	**QR'000**	QR'000	QR'000
Balance at beginning of the year		**608,850**		437,392
Net profit of the Company	**505,044**		327,479	
Amortisation of license fee	**84,093**		84,093	
Transfer to distributable profits		**589,137**		411,572
Transfer to legal reserve		**(29,456)**		(20,579)
Dividend for the year 2021/2020		**(253,620)**		(211,350)
Contribution to Social and Sports Fund (note 21.1)		**(12,560)**		(8,185)
Balance at year end		**902,351**		608,850

21.1 Social and Sports Fund

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010 the Group is required to contribute 2.5% of annual net profits of the Group to the State Social and Sports Fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income in the consolidated statement of changes in equity.

22 LOANS AND BORROWINGS

	31 December 2022	31 December 2021
	QR'000	QR'000
Loans and borrowings	**719,406**	712,394
Presented in the consolidated statement of financial position as:		
Non-current liabilities	**512,117**	506,238
Current liabilities	**207,289**	206,156
	719,406	712,394

The Group entered into a Facility Agreement with a local bank for QR 820 million on 29 October 2019 (the "Facility") at an agreed interest rate 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. The facility is being paid in 16 equal quarterly installments of QR 51.25 million each starting February 2021. The facility is secured against general assignment agreement. Interest of QR 16.8 million (2021: QR 24.5 million) was incurred during the year on the facility.

The Group also secured a rollover financing facility of QR 911 million on 27 May 2018 from a local bank, which has been amended to QR 1,211 million at an agreed interest rate of QMRL less 25 Basis Points (BPs). Amounts of QR 310 million were availed and partially repaid during the current year. As of reporting date, an amount of QR 411.9 million was outstanding (2021: QR 200.5 million). Financing cost of QR 12.3 million (2021: QR 5.8 million) was incurred during the year on this financing facility. The facility is secured over assets agreement and receivable asset agreement.

23 PROVISIONS

	31 December 2022	31 December 2021
	QR'000	QR'000
Employees' end of service benefits (note 23.1)	**55,268**	49,453
Asset retirement obligations (note 23.2)	**42,935**	33,625
Other provisions	**3,862**	-
	102,065	83,078

23.1 Employees' end of service benefits

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**49,453**	42,453
Charge for the year	**13,088**	13,896
Payments during the year	**(7,273)**	(6,896)
	55,268	49,453

23.2 Asset retirement obligations

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**33,625**	29,639
Addition to the provision during the year	**6,744**	1,798
Unwinding of discount	**2,566**	2,188
	42,935	33,625

24 TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	QR'000	QR'000
Accruals	**624,239**	491,447
Trade payables	**517,582**	471,315
Contract liabilities (note 24.1)	**122,354**	98,617
Dividend payable (note 24.2)	**22,092**	18,965
Payable to social and sports fund (note 21.1)	**12,560**	8,185
Other payables	**12,420**	10,621
	1,311,247	1,099,150

24.1 The contract liabilities primarily relate to the advance consideration received from customers for access charges, airtime usage, messaging, data broadband services and other services for which revenue is recognised over time.

24.2 Dividend payable

	31 December 2022	31 December 2021
	QR'000	QR'000
Balance at beginning of the year	**18,965**	23,408
Dividend declared for the year ended 31 December 2021/ 2020 (note 30)	**253,620**	211,350
Dividend payments during the year	**(250,493)**	(215,793)
Balance payable at year end	**22,092**	18,965

25 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 following transactions were carried out with related parties:

	Year ended 31 December	
	2022	2021
Sales of goods and services	**QR'000**	QR'000
Parent entity	**10,775**	9,661
Other related parties	**23,684**	17,863
	34,459	27,524
Purchases of goods and services		
Other related parties	**80,883**	63,192

Goods and services are bought from related parties at prices approved by management, as being on an arm's length basis. Balances arising from transactions with related parties are as follows:

	31 December 2022	31 December 2021
	QR'000	QR'000
Due from related parties:		
Parent entity	**5,293**	4,521
Other related parties	**7,371**	25,898
	12,664	30,419
Due to related parties:		
Other related parties	**7,215**	9,543

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest. No impairment losses were recognised for balances due from related parties during the period (2021: Nil). The payables to related parties arise mainly from purchase transactions and bear no interest.

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:

	Year ended 31 December	
	2022	2021
	QR'000	QR'000
Salaries and short-term benefits	**41,461**	33,875
Employees' end of service benefits	**1,123**	511
	42,584	34,386

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Capital management

The following table summarises the capital structure of the Group:

	31 December 2022	31 December 2021
	QR'000	QR'000
Loans and borrowings	**719,406**	712,394
Cash and bank balances	**(186,770)**	(189,508)
Net debt	**532,636**	522,886
Total equity	**4,832,653**	4,596,453
Gearing ratio	**11.02%**	11.38%

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Financial instruments

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in note 3 to these consolidated financial statements.

Categories of financial instruments

	31 December 2022	31 December 2021
	QR'000	QR'000
Financial assets at amortised cost:		
Cash and bank balances	**186,770**	189,508
Trade and other receivables (excluding prepayments and advances)	**691,146**	394,951
Financial liabilities at amortised cost:		
Trade and other payables (excluding accruals and contract liabilities)	**564,654**	509,086
Loans and borrowings	**719,406**	712,394
Lease Liabilities	**456,390**	311,972

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair values of financial assets and financial liabilities are determined as follows:

> The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.

> The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of financial instruments (Continued)

Fair value measurements are analysed by levels in the fair value hierarchy as follows:

> Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

> Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

> Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobserved inputs)

Management believes that the carrying values of its financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

	At 1 January 2022	Financing cash flows	Non-cash changes*	At 31 December 2022
	QR'000	QR'000	QR'000	QR'000
Loans and borrowings	**712,394**	**5,000**	**2,012**	**719,406**
Lease liabilities	**311,972**	**(105,886)**	**250,304**	**456,390**
Dividend payable	**18,965**	**(250,493)**	**253,620**	**22,092**
Restricted bank account	**(18,965)**	**(3,127)**	**-**	**(22,092)**

	At 1 January 2021	Financing cash flows	Non-cash changes*	At 31 December 2021
	QR'000	QR'000	QR'000	QR'000
Loans and borrowings	819,336	(107,500)	558	712,394
Lease liabilities	385,650	(96,707)	23,029	311,972
Dividend payable	23,408	(215,793)	211,350	18,965
Restricted bank account	(23,408)	4,443	-	(18,965)

*This comprises finance cost, amortisation of deferred financing costs, lease liability recognized rent waivers, and dividend declared.

Financial Risk Management

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies and hence exposed to risks on exchange rate fluctuations. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Majority of foreign currency receivable/payable balances are in US$ which is pegged against QR. Therefore, these receivable/payable balances are not exposed to foreign currency exchange rate fluctuation risk. The Group has a small exposure of receivable/payable balances in Euro and other currencies where effect of any 10% increase/decrease in foreign exchange rates is expected to be in the range of QR 1.5 million (2021: QR 1.3 million).

Interest rate risk management

The Group is liable to pay interest on financing facilities, which is aggregate of the applicable margin and QMR-L. Every one percent rise or fall in the applicable interest rate against the floor rate of the financing facilities, would increase or reduce the total profit of the Group for the financial year by QR 7.2 million (2021: QR 7 million).

Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the creditworthiness of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

Trade receivables and contract assets

Trade receivables consist of a large number of customers (both consumers and enterprises).

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

At 31 December, the exposure to credit risk for trade receivables by type of counter party was as follows:

	31 December 2022	31 December 2021
	QR'000	QR'000
Enterprise customers (1)[a]	**578,347**	375,317
Consumers	**258,719**	100,400
	837,066	475,717

(1) [a] Enterprise customers' trade receivables include a balance of QR 71.2 million (2021: 73.6 million) of which no expected credit loss was recognised because of collaterals provided.

Movement in provision for expected credit losses account is presented in note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk management (continued)

Bank balances

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. ECL on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Carrying amount	
	31 December 2022	31 December 2021
	QR'000	QR'000
Bank balances	**186,680**	189,418
Trade and other receivables (excluding prepayments and advances)	**691,146**	394,951
Contract assets	**34,898**	33,234
	912,724	617,603

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and adequate loans and borrowings, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2022	**31 December 2022**	31 December 2021
	QR'000	QR'000
Trade and other payables excluding contract liabilities	**1,188,893**	-
Loans and borrowings	**207,289**	512,117
Lease liabilities	**141,209**	315,181

At 31 December 2021	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding contract liabilities	1,000,533	-
Loans and borrowings	206,156	506,238
Lease liabilities	114,913	197,059

All of the Group's non-derivative financial assets are expected to mature within one year.

27 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

	31 December 2022 QR'000	31 December 2021 QR'000
Contracts placed for future capital expenditure not provided for in the consolidated financial statements	**323,357**	388,270

Contingent liabilities

	31 December 2022 QR'000	31 December 2021 QR'000
Performance bonds	**80,692**	81,995
Tender bonds	**1,580**	6,394
Credit and payment guarantee – third party indebtedness	**48,516**	48,116

Performance bonds

Performance bonds require the Group to make payments to third parties in the event that the Group does not perform what is expected of it under the terms of any related contracts.

Tender bonds

This comprises bonds submitted at the time of submission of tenders.

Credit and payment guarantee – third party indebtedness

Credit guarantees comprise guarantees and indemnity of bank or other facilities.

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group prepares its consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board, the application of which often requires judgments to be made by management when formulating the Group's financial position and results. Under IFRS, the management are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and accordingly provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant IFRS accounting policies, which is provided in note 3 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before financing income/costs, tax, depreciation and amortisation, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long term growth rates;
- expected costs to renew the license; and
- the selection of discount rates to reflect the risks involved.

The Group has considered all the internal and external indicators to assess whether there are any indicators of impairment during the year. Based on assessment performed, the Group concluded that there have been no events or change in circumstances which indicates that carrying amounts of assets may not be recoverable. Hence, no impairment testing is performed.

Revenue recognition

Acquisition revenue and revenue from sale of sim cards are amortized over maximum lock in period of the customer which is three months in the State of Qatar.

The Group give its customers the option to return the handsets within a period of 7 days of purchase. Keeping in view the negligible numbers of returns in the history, no provision is made with regard to return of goods sold.

Revenue recognition: judgments in determining the timing of satisfaction of performance obligations

Revenue and associated costs are recognised over time – i.e. before the performance obligation is fully complete. Progress is determined based on the output method because the customer obtains control of the work in progress as the project specific milestones are achieved.

Revenue presentation: gross versus net

When deciding the most appropriate basis for presenting revenue and costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned. Transit revenue is recognised on a gross basis as the Group assumes credit risk and acts as a principal in the transactions.

Estimation of useful life

The useful life used to depreciate/amortise assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of tangible and intangible assets is as follows:

Intangible assets

The estimated useful life of license is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology.

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

Property, plant and equipment

Property, plant and equipment represents a significant proportion of the asset base of the Group being 25.4% (2021: 24%) of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of income.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

During the year, the Group modernised its network to provide high quality services and cater the upcoming demand. This has resulted in reassessment and reduction of useful life of some of the old assets and consequently higher deprecation charge of QR 60.2 million for the year (2021:QR 48 million).

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. Inventories which are old or obsolete, are assessed Individually and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Asset retirement obligation

A provision for asset retirement obligation exists where the Group has a legal or constructive obligation to remove an infrastructure asset and restore the site. Asset retirement obligation is recorded at the present value of expected costs to settle the obligation using estimated cash flows and is recognised as part of the particular asset. The cash flows are discounted at the rate that management considers reflects the risk specific to the asset retirement obligation i.e. 7.49% (2021: 7.49%).

Subsequent to initial recognition, an unwinding expense relating to the provision is periodically recognised as a financing cost.

While the provision is based on the best estimate of future costs and the useful lives of infrastructure assets, there is uncertainty regarding both the amount and timing of incurrence of these costs. Any subsequent change in the present value of the estimated cost due to changes in the gross removal costs or discount rates, is dealt with prospectively as a change in accounting estimate and reflected as an adjustment to the provision and a corresponding adjustment to the infrastructure assets.

During the year ended 31 December 2022, the Group revised its estimates of the period to dismantle the sites and the number of sites to be considered for dismantling to align ,to align it with the recent market trends. The change has resulted in a gain of QR 2.66 million, which was recognised in the consolidated statement of income.

Expected credit losses

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time the amount has been due.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 31 and 90 days past due had been 5% higher (or lower) as of 31 December 2022, the loss allowance on trade receivables would have been QR 0.50 million (2021: QR 0.37 million) higher (or lower).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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 options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

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

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

New standards, amendments and interpretations effective for annual reporting period beginning on 01 January 2022

Following amendments and interpretations that became effective as of 1 January 2022:

Standards / Amendment to Standards	Effective date
COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022

The adoption of these amendments had no impact on the consolidated financial statements.

New standards and amendments are not yet effective

A number of new standards, amendments and interpretations to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted for annual periods beginning on 1 January 2023; however, the Group has not early applied the following new standards, amendments and interpretations in preparing these (consolidated) financial statements.

The following new and amendments standards are not expected to have a significant impact on Group's consolidated financial statements:

Standards / Amendment to Standards	Effective date
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 - Insurance contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

30 DIVIDENDS

Dividend declared for year 2021

During 2022, following the approval at the Annual General Assembly held on 28 February 2022, the Company paid a cash dividend of 6% of the nominal share value amounting to QR 253.6 million (QR 0.06 per share with nominal value of QR 1 each).

Proposed dividend for year 2022

The Board of Directors has proposed a cash dividend of 10% of the nominal share value amounting to QR 422.7 million (QR 0.10 per share with nominal value of QR 1 each). The proposed dividend is subject to approval of the shareholders during the Annual General Assembly on 20 February 2023.

31 OFFSETTING

Financial assets and financial liabilities are offset, and the net amount presented in the 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 consolidated statement of financial position are as follows:

	Gross amounts	Offsetting amounts	Net amounts
	QR'000	QR'000	QR'000
Current assets			
As at 31 December 2022			
Trade and other receivables	**521,044**	**(38,511)**	**482,533**
As at 31 December 2021			
Trade and other receivables	388,025	(41,236)	346,789

	Gross amounts	Offsetting amounts	Net amounts
	QR'000	QR'000	QR'000
Current liabilities			
As at 31 December 2022			
Trade and other payables	**1,324,007**	**(12,760)**	**1,311,247**
Lease liabilities	**166,960**	**(25,751)**	**141,209**
	1,490,967	**(38,511)**	**1,452,456**
As at 31 December 2021			
Trade and other payables	1,119,457	(20,307)	1,099,150
Lease liabilities	135,842	(20,929)	114,913
	1,255,299	(41,236)	1,214,063

Digital Society

"The adoption of 5G technology made communication more efficient and created the basis to further innovate on services and entertainment."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2022

Glossary and Disclaimer

7

DISCLAIMER

This constitutes the annual report of Vodafone Qatar P.Q.S.C. ("Vodafone Qatar"; "Vodafone" or the "Company") and its subsidiaries (together referred to as "the Group") for the financial year ended 31 December 2022. The content of the Company's website (www.vodafone.qa) should not be considered to form part of this annual report. In the discussion of the Group's reported consolidated financial position, consolidated operating results and consolidated cash flows for the year ended 31 December 2022, the material is presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information is not uniformly defined by all companies, including those in Vodafone Qatar's industry. Accordingly, it may not be comparable with similarly-named measures and disclosures by other companies. The terms "Vodafone Qatar", "we", "us" refer to Vodafone Qatar P.Q.S.C. and its subsidiaries (as applicable). This annual report contains forward-looking statements that are subject to risks and uncertainties, including statements about the Group's beliefs and expectations. All statements other than statements of historical or current facts included in the document are forward-looking statements. Forward-looking statements express the current expectations and projections of the Group relating to the condition, plans, objectives, future performance and business of the Group, as well as their expectations in relation to external conditions and events relating to the Group and its respective sector, operations and future performance. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. The forward-looking statements may include (without limitation) words such as "forecast", "anticipate", "estimate", "believe", "project", "plan", "intend", "prospective" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or consolidated financial performance or other events. Due to these factors, the Group cautions that you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible to predict these events or how they may affect the Group. Except as required by Qatari law, the rules of the QFMA, or the rules of the Qatar Stock Exchange, the Group has no duty to, and does not intend to, update or revise the forward-looking statements included herein after the date of the annual report. Vodafone, the Vodafone logo and any and all Vodafone product and services names are trademarks of Vodafone Group Plc and its associated entities. Other product and Company names mentioned herein may be the trademarks of their respective owners.

GLOSSARY

Distributable Profits
Net profit plus amortisation of the licence, for the financial period.

Mobility ARPU
Average Revenue Per User – Mobility Service revenue divided by average mobility customers.

EBITDA
Earnings Before Financing Income / Costs, Tax, Depreciation, Amortisation and Industry fee.

EBITDA Margin
EBITDA for the period divided by revenue for that financial period.

Net Profit Margin
Profit for the year divided by revenue for that financial year.

Return on Capital Employed (ROCE)
It is calculated as: (Net Profit + financing cost on borrowings) / Average (Equity + Loans and borrowings).

Net Debt / Net Financing Position
Long-term and short-term borrowings less cash and bank balances.

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Together we can