Annual Report 2023

vodafone

In the Name of Allah, Most Gracious, Most Merciful

Vodafone Qatar
Annual Report 2023

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

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FROM OUR BOARD OF DIRECTORS

It is our pleasure to present Vodafone Qatar's financial results and business performance for the fiscal year concluded on December 31st, 2023.

A Glimpse into 2023

Over the past year, we have seen remarkable progress and achieved significant milestones which strengthened our ability to anticipate market trends in addition to exploring new paths and innovations. This overview sheds light on the dynamic landscape and notable achievements that shaped our journey in 2023, where we managed to position ourselves at the forefront of the telecommunication sector through our innovation capabilities and keeping abreast with global technological advancements.

Vodafone Qatar's 2023: Transformative Achievements

In 2023, technology played a prominent role in connecting our world across various areas, such as education and healthcare, in addition to reinforcing and solidifying the success opportunities of the historic event represented by the FIFA World Cup Qatar 2022. Vodafone Qatar embraced this transformation by teaming up with both Nokia to provide better broadband services and Microsoft for advanced AI insights. Partnerships were also forged with local universities, such as Qatar University, to support the next generation of innovators.

Globally, Vodafone Qatar received the World's Fastest Mobile Network award for the year 2022, according to test results based on consumer-initiated tests conducted using the 'Speedtest' service developed by the American company Ookla. This achievement was announced at the Mobile World Conference (MWS) in 2023, and it underscores Vodafone Qatar's ongoing commitment to the development of its network with the aim of always providing unparalleled connectivity experiences to its customers.

As part of our efforts to expand our innovation horizons, we launched the 'eKYC' mobile SIM activation, which uses AI facial recognition technology to provide customers with an eco-friendly and secure experience. We also introduced a delivery service that delivers our products to our customers wherever they are, in addition to launching Qatar's first Internet of Things (IoT) tracker device for consumers. These initiatives underline Vodafone Qatar's commitment to adopting advanced and contemporary solutions, as well as its dedication to fostering a digitally inclusive and environmentally conscious lifestyle. Consequently, the Company is prepared for all anticipated transformations in the coming years, with a strong awareness of its customers' evolving needs, aiming to ensure that the world is at their fingertips.

In addition to the above, Vodafone Qatar also entered a partnership with the Qatar Financial Centre (QFC) through the signing of an MoU to provide advanced services, which include, mobile and fixed services, IoT, and Cyber Security solutions. The goal of this partnership is to empower QFC-licensed enterprises for enhanced business agility and to help them succeed in achieving their objectives.

Financial Highlights

The Company reported a net profit of QR 540 million for the financial year 2023, reflecting a 7.5% increase compared to the previous year mainly driven by EBITDA growth.

Total revenue, excluding the World Cup's impact in 2022, increased by 6.1% year-on-year reaching QR 3.1 billion, due to continued growth across various business segments, including fixed broadband services, managed services, IoT and others. However, the reported total revenue for the year increased by 1.5%. Service revenue, excluding the World Cup's impact, grew by 8.9% to QR 2.8 billion, whereas reported Service Revenue increased by 5.5%.

EBITDA for the period increased to QR 1.3 billion, reflecting a growth of 4.2% compared to last year, positively impacted by the higher service revenue and the continued success of the cost optimisation programme. Consequently, the EBITDA margin reached 41.3%, expanding by 1.1ppts.

The total number of mobile customers reached 2.15 million, representing an underlying increase of 2% year-on-year.

Based on Vodafone Qatar's commitment to enhancing shareholder value and strong financial performance, the Board of Directors has recommended the distribution of a cash dividend of 11% of the nominal share value, i.e. QR 0.11 per share, which will be presented at the Company's next Annual General Assembly for approval.

A Word of Appreciation

With the conclusion of yet another successful year, the Board of Directors expresses sincere gratitude to His Royal Highness Sheikh Tamim bin Hamad Al Thani, the beloved Amir of the State of Qatar, for his insightful vision in Qatar's 2030 National Vision and for providing all the necessary foundations for the success of the telecommunications and digital transformation sectors.

We would also like to express our most earnest appreciation to the regulatory authorities represented by the Communications Regulatory Authority, the Ministry of Communications and Information Technology, the Ministry of Commerce and Industry, the Qatar Financial Markets Authority, the Qatar Stock Exchange, and the Qatar Central Securities Depository (EDAA) for creating a safe environment which inspires trust and instils a sense of security.

It is also essential to extend our utmost gratitude to our Executive Management team for their exceptional leadership, and to our dedicated employees for their concerted efforts and commitment to achieving excellence.

Lastly, we salute our valued customers and stakeholders for their continuous trust and support, which forms the foundation of Vodafone Qatar's success, and we assure them of our everlasting commitment to continue collaboration and achieve success in the coming year.

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

FROM OUR MANAGING DIRECTOR

Dear Esteemed Colleagues,

As we reflect upon the accomplishments of 2023, a year that has been marked by success across diverse fronts, Vodafone Qatar proudly asserts its position as a leader in connectivity innovation. Our steadfast dedication to the realization of our strategic vision, aptly titled 'Together We Can', found expression in our many notable accomplishments.

In our pursuit of a transformative year, we focused on delivering unparalleled connectivity, speed, and reliability for both consumers and businesses alike. A testament to this commitment was the inauguration of cutting-edge fibre technology in Msheireb Downtown's Smart City district. This milestone positioned Msheireb as the first 'Gigacity' in the Middle East, boasting speeds up to 25 Gbps.

Vodafone Qatar also succeeded in setting new standards within the telecommunications industry, with the introduction of 'Gigabit only' speeds for Home Fibre that were nearly ten times faster than the prevailing average, making us the first telecom provider in the Middle East to achieve this feat. In addition, Vodafone Qatar, in cooperation with Nokia, achieved a distinguished achievement in the world of broadband fiber optic networks after the two companies succeeded through their collaborative efforts, in experimenting with speeds of 100 gigabits per second on the single passive optical network (PON).

A crowning achievement of 2023 was the international recognition bestowed upon Vodafone Qatar by Ookla®, designating us as the possessor of the World's Fastest Mobile Network. This accolade not only validates our unwavering commitment to pushing the boundaries of connectivity but also highlights our ability to surpass preconceived limitations. This recognition was at the Mobile World Congress 2023 in Barcelona, where we proudly received an award, stands as a testament to our technological prowess and unwavering commitment to delivering an exceptional customer experience. Further commendation from the Communications Regulation Authority of Qatar, as evident in their Quality-of-Service Audit, serves to underscore the excellence of our network performance.

During the sacred month of Ramadan, our collaboration with Qatari producer Hamida Issa bore fruit in the form of a compelling five-episode sitcom titled 'Al Bayt Al 3oud' (The Big House). Beyond providing entertainment, this series served to underscore the significance of community, family, and connectivity during this revered month. It exemplifies our dedication to fostering cultural connections and emphasizes our commitment to keeping local families connected through life's journeys.

As part of our steadfast commitment to nurturing the leaders of tomorrow, Vodafone Qatar spearheads initiatives aimed at investing in and fostering the brightest young minds in the nation. By doing so, we not only contribute to reinforcing Qatar's technological sector but also actively position it as a hub of excellence in learning and development. This strategic approach not only future-proofs our industry but also enhances its attractiveness to new talent and promotes increased levels of inward investment.

As a cornerstone of our Corporate Social Responsibility program, Vodafone Qatar actively participated in the fifth annual 'My Career - My Future' event organized by the Qatar Career Development Centre (QCDC) in collaboration with Qatar Foundation. This event provided students with invaluable hands-on job shadowing experiences in real-world environments, instilling practical skills crucial for their future careers.

In another impactful community outreach initiative, we conducted an awareness session at the Qatar Academy for Science and Technology (QAST). Here, forty high-school students gained insights into Vodafone Qatar's range of business scholarships, internships, and diverse career opportunities. Our engagement doesn't stop there; we collaborated with the College of Business and Economics at Qatar University, sponsoring a competition that encouraged students to integrate sustainability into their business planning. Undergraduates, through a case study focused on sustainability in the telecommunications sector, offered innovative solutions, with winners receiving exciting high-tech prizes.

As a statement serving to further reinforce and affirm our commitment to excellence and quality, our HR team successfully secured the ISO 9001:2015 re-certification. A rigorous audit conducted by BSI further solidified our compliance with international standards and underscored our pledge to uphold the highest benchmarks in every facet of our operations.

As we approach 2024, we renew our promise to deliver world-class services while actively safeguarding society, culture, and the environment, in line with the Qatar National Vision 2030.

Grateful for the prosperous path we were graced with in 2023, I extend heartfelt thanks to our esteemed board, shareholders, dedicated employees, and loyal customers for their trust and collaboration propelling us into an optimistic new year.

Sincerely,

Rashid Fahad Al-Naimi
Managing Director

FROM OUR CHIEF EXECUTIVE OFFICER

Esteemed shareholders,

In 2023, guided by the vision 'Together we can,' Qatar has made significant strides in technological excellence, setting a precedent in connectivity. Our commitment to becoming one of the world's most technologically advanced countries is evident in the ecosystem we've built, prioritizing digital-first lifestyles, and placing customers at the core of our initiatives.

Business Performance

Since the launch of Vodafone Qatar's 'Digital 2023' strategy in 2018, we've successfully transformed from a traditional mobile operator to a diversified digital player. With objectives focused on simplifying our operations, digitizing customer experiences, and responsible growth, we've consistently achieved year-on-year growth. Our emphasis on enhancing customer experiences has been a driving force for innovation, leading to the introduction of advanced solutions that simplify lives across the country.

In 2023, we proudly report an annual net profit of QR 540 million and 5.5% service revenue growth. These achievements position Vodafone Qatar on an upward trajectory, and we remain confident in our ability to navigate economic and technological challenges, ensuring responsible growth for our shareholders.

Harnessing the Power of Artificial Intelligence (AI)

Amidst a year where AI took center stage, Vodafone Qatar has actively explored its transformative capabilities. Through extensive partnerships and research, exemplified by our platinum sponsorship of a Microsoft Qatar event in collaboration with the Ministry of Communications and Information Technology (MCIT), we are committed to leveraging AI for continued growth and innovation.

Entitled 'From Imagination to Reality: Rise with Microsoft AI' the event showcased breakthrough AI use cases, exploring how these innovations can enable businesses to build transformative AI-powered solutions.

We also signed a Memorandum of Understanding with Microsoft to facilitate an end-to-end AI Digital Contact Center Platform suitable for any organization that wants to modernize their contact center operations in Qatar. It is the first AI application that our two organizations will jointly offer to the market, meaning such centers will be equipped with modern digital tools to engage customers across voice, video, and other digital channels whilst ensuring business process automation, advanced telephony, and fraud prevention capabilities.

Meanwhile, the landmark launch of our mobile SIM activation service, 'eKYC - Electronically Know Your Customer', uses AI face-recognition technology to offer an easy, secure, and eco-friendly way for customers to purchase a new SIM card or transfer their current numbers regardless of the provider, via Mobile Number Portability (MNP). Completing the verification of ID documents, including a user's QID, it enables instant connection to the Vodafone Qatar network.

The digitized registration process, which uses Artificial Intelligence for new mobile connections, will help customers to join Vodafone Qatar's services at any time, and from anywhere. It is a genuine step forward in achieving the company's goal of contributing to the digital transformation of our nation.

Msheireb: The First Gigacity in the Middle East

In a groundbreaking partnership with Nokia, Vodafone Qatar has propelled Msheireb Smart City into the forefront as the region's inaugural 'Gigacity,' delivering unprecedented hyper speeds of up to 25 gigabytes per second through cutting-edge fiber technology.

Following a successful trial on a single Passive Optical Network (PON) using Nokia Bell Labs' prototype, Vodafone Qatar aims to elevate speeds to 100 gigabytes per second by the end of the decade, establishing a new regional standard for high-speed internet connectivity. Msheireb stands as a global prototype for future cities, driven by Vodafone Qatar's technological prowess.

This year, Vodafone Qatar has emerged as a trailblazer in showcasing speeds achieved on PON, reinforcing its commitment to delivering cutting-edge technology. With the deployment of 25 gigabytes per second and the commercial launch of services in Msheireb Smart City, Vodafone Qatar reaffirms its dedication to providing advanced connectivity and innovative solutions.

Vodafone Qatar's Commitment to a Sustainable Future

At Vodafone Qatar, our commitment to sustainability goes beyond rhetoric; it's a core value reflected in our daily operations. Aligned with the global movement toward a net-zero society, sustainability is one of our three fundamental corporate pillars.

Educating and Empowering Communities

In pursuit of social sustainability, we've collaborated with selected partners to address community well-being. A highlight of our efforts was the Lung Cancer Awareness Day event, organized in collaboration with the Qatar Cancer Society. This initiative aimed not only to raise awareness among our employees but also the broader public about the causes and symptoms of lung cancer, emphasizing our dedication to community welfare.

Protecting the environment: pioneering sustainable practices

Vodafone Qatar takes its responsibilities towards the environment very seriously and is working towards a net-zero future, systematically converting network sites to commercial power sources to effectively minimize direct fuel consumption. Over the past few years, Vodafone Qatar has converted more than 200 sites to commercial power, and more than 270 sites to a hybrid fuel consumption model. Compared to normal sites, the average fuel consumption has decreased by 40%, thereby reducing its impact on the environment. Adding to this commitment, the deployment of power cubes stands as a symbol of the company's dedication to harnessing energy from renewable sources, thereby substantially contributing to a more sustainable and eco-friendly energy ecosystem.

In embracing sustainability as a guiding principle, Vodafone Qatar is not just adapting to change but actively contributing to a future where responsible practices are ingrained in every aspect of our business.

Closing Statement

In 2023, Vodafone Qatar stood as a revered leader in technology and digital innovation, spearheading the nation's digital infrastructure. The focal point remained a customer-centric approach, a guiding principle around which all operations orbited.

Acknowledging that these milestones wouldn't be achievable without the steadfast support of the Board of Directors, employees, shareholders, and customers, we extend our deepest gratitude. Their trust forms the bedrock of Vodafone Qatar's achievements.

Together, we share a collective pride in the accomplishments detailed in this report. These successes not only stand as markers of our progress but promise positive returns for our shareholders in the years to come.

As our digital transformation surges forward, we remain steadfast in consolidating the business foundations, capitalizing on innovation, and providing a positive work atmosphere. Aligned with Qatar's National Vision 2030, Vodafone Qatar is poised to elevate even further in 2024.

Finally, we express gratitude for the collaborative efforts that have fueled our progress and anticipate a future marked by even greater accomplishments.x

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 2.15 million mobile customers as of 31 December 2023.

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 25,000 institutional and retail shareholders, Vodafone Qatar is 90% 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 the 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 contribute towards Qatar's National Vision 2030.

VODAFONE QATAR'S KEY 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

- 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

- 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

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.
- Vodafone Qatar is ISO 9001:2015 certified for Quality Management in HR

2021

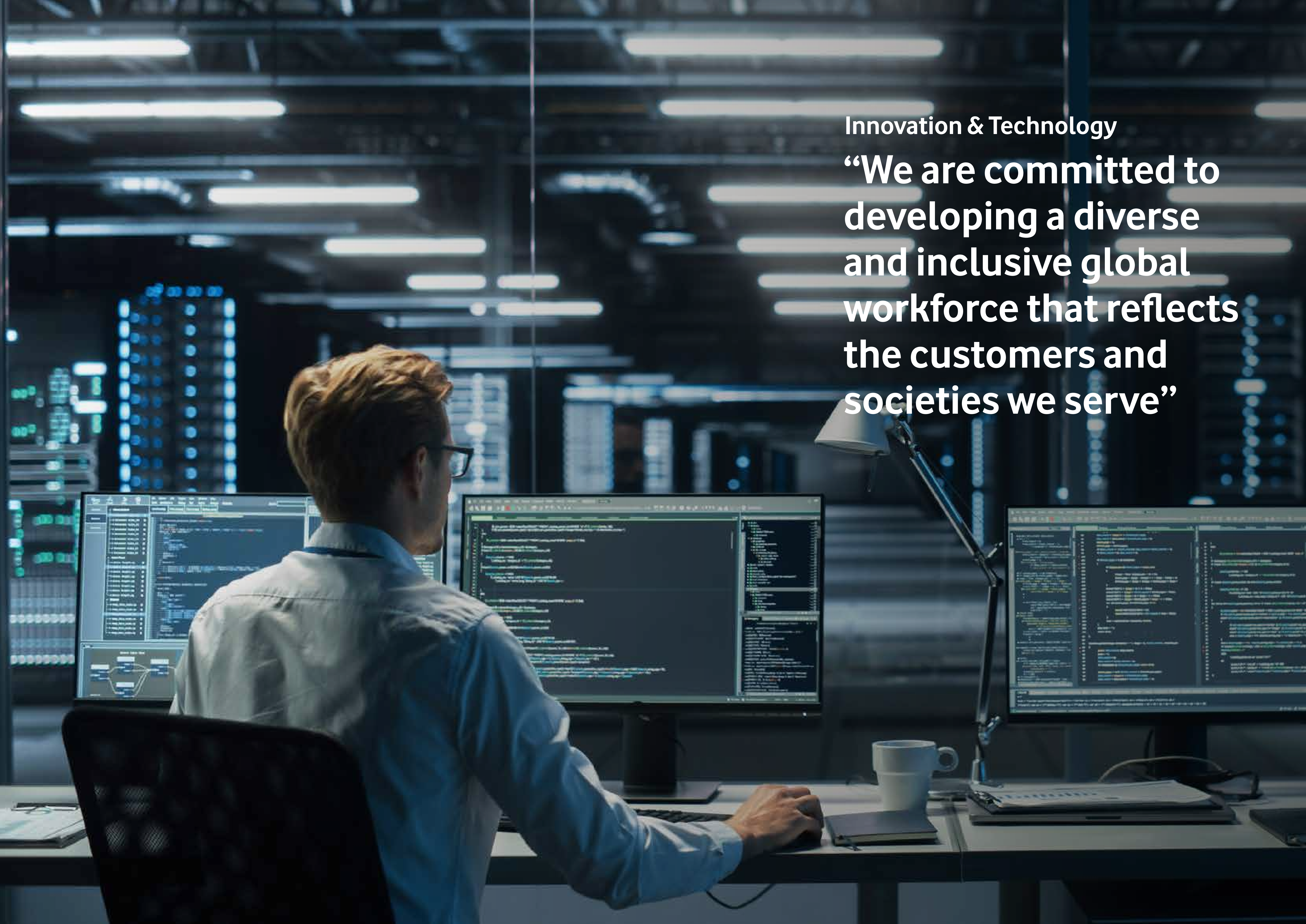
- Together We Can Rebrand
- Vodafone Qatar launches Push-To-Talk Plus for instant voice, video and text communication
- Vodafone Qatar unveils an enhanced GigaNet network
- Vodafone Qatar launches an enhanced IoT Fleet Management Solution
- Vodafone Qatar wins two awards at MMA Smarties MENA 2020
- Vodafone 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

2023

- Vodafone Qatar and Nokia Achieve Record Breaking 100 GBPS Speeds on Fiber Broadband Networks
- Vodafone Qatar Transforms Msheireb to the First Giga-City in the Middle East Offering Speeds From 1GB up to 25 GB.
- Vodafone Qatar is ISO 9001:2015 re-certified for Quality Management in HR



Innovation & Technology

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

Corporate Governance Report

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Corporate Governance Report

Corporate Governance Report for the Financial Year ended on December 31st 2023

1. INTRODUCTION

Dear Shareholders,

I am pleased to present the Vodafone Qatar P.Q.S.C. ("Vodafone Qatar" or the "Company") Corporate Governance Report for the financial year ended on December 31st 2023. 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 2023 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.

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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 elected three Independent Board members to the Company's Board and Vodafone and Qatar Foundation LLC, the private founder of the Company, appointed four Board members for a maximum term of three years commencing from the date of the AGA (2022-2023-2024). On 9 March 2023, the private founder appointed Mr. Nasser Bin Abdulla Al Misnad as a new Board member replacing Mr. Nasser Hassan Al Naimi, in accordance with Article (29.2) of the Company's Articles of Association.

The current Board of Directors as of 31 December 2023 comprises seven (7) members as detailed below.

Name	Position	Original Date Elected / Appointed	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 Abdulla Almisnad	Non-Independent Non-Executive	09/03/2023	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.

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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 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 125,000 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 of the 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 – Board Member

H.E. Mr. Akbar Al Baker

Number of shares held directly in Vodafone Qatar as of 31 December 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 0 shares.

Currently an advisor to H.E. the Prime Minister and Minister of Foreign Affairs of Qatar, H.E. Mr. Akbar Al-Baker concluded his tenure as the CEO of the Qatar Airways Group on November 4th, 2023. During his leadership, he emerged as a prominent figure in the global aviation industry, steering Qatar Airways from a regional carrier to a preeminent global airline within a remarkable 27-year span. Notably, he played a pivotal role in guiding the airline to unprecedented success, particularly during the challenges posed by the COVID-19 pandemic, where Qatar Airways became one of the world's largest international carriers.

H.E. Mr. Al Baker is a highly accomplished business leader based in Doha, having served as the CEO of several key divisions within Qatar's national airline. His influence extends beyond Qatar Airways, as evidenced by his previous tenure as Chairman of Qatar Tourism, his role as the Chairman of the Governing Board of the oneworld® Alliance and his membership on the Board of Governors of the International Air Transport Association (IATA) since 2012, where he assumed the position of Chairman from 2018 to 2019. Additionally, he has been an integral member of the Executive Committee of the Arab Air Carriers Organisation (AACO) since 2011, serving as Chairman from 2013 to 2016. He is also on the Board of London Heathrow airport.

Born in Doha, H.E. Mr. Al Baker holds a private pilot license and is a graduate in Economics and Commerce. His journey in aviation began at the Civil Aviation Directorate, where he climbed the ranks before being entrusted with the monumental task of establishing the world's premier airline in 1997. Under his leadership, Qatar Airways has garnered numerous accolades, notably achieving the prestigious "Skytrax Airline of the Year" title for close to a full decade, underscoring its unrivaled excellence in the industry.

Education

- BA, Economics and Commerce

Mr. Rashid Fahad Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 600,000 shares.

As the Chief Executive Officer 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. In addition, Mr. Al-Naimi currently holds the position of Vice-Chairman at Qatari Investors Group.

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 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 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:

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

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

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

Number of shares held directly in Vodafone Qatar as of 31 December 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 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 Vice-Chairman of Al Rayan Investment.

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 around 25 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 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 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 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 and United Development Company (UDC).

Education

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

Mr. Nasser Abdulla Al Misnad

Number of shares held directly in Vodafone Qatar as of 31 December 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 2,437,500 shares.

Mr. Nasser Al Misnad worked for three years at Barzan Holdings in the field of Strategic Procurement and he is currently a Board member at Qatari Investors Group.

Education

- Bachelor in Business Administration, University of la Verne (State of California, USA)

Mr. Al Misnad has also passed the following courses:

- Associate in Project Management (CAPM)
- Time and Stress Management for Graduates Social Styles
- Effective Team Working
- Emotional Intelligence for Graduates

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 six (6) meetings during the financial year ended on December 31st 2023, as indicated in the table below.

Board Members / Dates of Board Meeting	Attendance					
	24 January 2023 (Approval of Year-End financial	18 April 2023 (Approval of first quarter financial results)	13 June 2023 (Business update)	26 July 2023 (Approval of second quarter financial results)	24 October 2023 (Approval of third quarter financial results)	5 December 2023 (Approval of 2024 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 Abdulla Al Misnad	N/A	√	√	√	√	√
Mr. Nasser Hassan Al-Naimi	√	N/A	N/A	N/A	N/A	N/A

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 2023.

In addition, the 2023 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 2023. The total remuneration proposed to the Board for the financial year ended on December 31st 2023 is referred to in note 24 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

The Company has 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 as and when required.

In the financial year ended on December 31st 2023, the Company conducted an induction training session to the newly appointed Board member and another training session to the entire Board members to equip them with the necessary knowledge and insights to effectively contribute and fulfil their obligations and responsibilities under the current applicable laws and regulations.

Additionally, Vodafone Qatar keeps the Board Members consistently 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 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.

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 2023.

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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 to 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 Audit Committee of Vodafone Qatar consists, as of 31 December 2023, 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;

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(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 basis, taking into account the Company's business, market changes, investment trends and expansion plans;

(n) Supervising the training programs 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 2023, the Audit Committee met on six (6) occasions as follows:

Committee Members / Dates of Audit Committee Meeting	Attendance					
	24 January 2023	18 April 2023	13 June 2023	26 July 2023	24 October 2023	5 December 2023
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	√	√	√	√	√	√
H.E. Mr. Akbar Al Baker	√	√	√	√	√	√
Mr. Rashid Fahad Al -Naimi	√	√	√	√	√	√

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The main recommendations of the Audit Committee to the Board of Vodafone Qatar in 2023 were as follows:

(a) Approval of the Company's full-year financial statements for the year ended on December 31st 2022, 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 2023 and the nine (9) months ended September 30th 2023;

(d) Approval of the Board of Directors' assessment of Internal Control over Financial Reporting ("ICOFR") for the year ended December 31st 2022;

(e) Approval of the Company's Corporate Governance Report 2022;

(f) Approval of the re-appointment of KPMG as the Company's external auditor for the financial year 2023; and

(g) Approval of additional fees to the External Auditors related to additional and mandatory audit out of their scope of work.

The main updates of the Audit Committee to the Board of Vodafone Qatar in 2023 were as follows:

a) External auditors' report on ICOFR for the financial year 2022;

b) External auditors' report on Corporate Governance for the financial year 2022;

c) Progress against internal audit plan and audit activity summary results;

d) Internal Audit Management actions status;

e) Fraud reports;

f) Oversight on the enterprise risk management register;

g) Compliance report; and

h) 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 was re-constituted after the appointment of the new Board member, Mr. Nasser Al Misnad, who replaced Mr. Nasser Al-Naimi. The Remuneration Committee 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-Misnad	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 2023 as follows:

Committee Members / Date of Remuneration Committee Meeting	24 January 2023*
H.E. Mr. Akbar Al Baker	√
Mr. Rashid Fahad Al-Naimi	√
Mr. Nasser Al-Naimi	X

Before the Remuneration Committee reconstitution

The main recommendations put forward to the Board in 2023 by the Remuneration Committee were as follows:

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

(b) Approval of the annual salary review for the financial year 2023;

(c) Approval of the Company's Long Term Incentive Plan for the financial year 2023;

(d) Approval of the Company's Short-Term Incentive (Bonus) targets for the financial year 2023; and

(e) Approval of the Board remuneration for the financial year 2022.

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 once during 2023 as follows:

Committee Members / Date of Nomination Committee Meeting	5 December 2023
Mr. Rashid Fahad Al-Naimi	√
H.E. Sheikh Saoud Abdul Rahman Al-Thani	√
Mr. Nasser Al-Marri	√

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The main recommendations put forward to the Board in 2023 by the Nomination Committee were as follows:

(a) Approval of the succession planning outlines for the Company's management; and

(b) Submitting an annual report to the Board on the performance of the Board and its Sub-Committees for the financial year 2023.

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.

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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 2023: 9,800,469 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 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. In addition, Sheikh Hamad currently holds the position of Chairman at Meeza.

Previously, he served as Vodafone Qatar's Chief Operations Officer where he was responsible for the Company's Customer Operations, Human Resources, Legal & 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 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 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.

Khames has worked across different sectors, including oil & gas, education & 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.

Khames 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.

Ramy Boctor

Chief Technology Officer (CTO)

Number of shares held directly in Vodafone Qatar as of 31 December 2023: 0 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 0 shares.

Ramy Boctor has over 25 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.

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

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Masroor Anjum

Chief Financial Officer (CFO)

Number of shares held directly in Vodafone Qatar as of 31 December 2023: 772,913 shares.

Number of shares held indirectly in Vodafone Qatar as of 31 December 2023: 0 shares.

Masroor Anjum is a fellow member of Institute of Chartered Accountants in Pakistan, with more than 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.

Masroor 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, Masroor served as Vodafone Qatar's Acting CFO, 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 & 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, Remuneration and Succession Planning for 2023

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 2023, 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 an updated 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 2023.

For details of the remuneration paid to the Executive management team of Vodafone Qatar, please refer to Note 24 of the Company's financial statements as of December 31st 2023, 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 2023.

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 2023 (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 2023.

The External Auditors' and the Directors' ICOFR reports are included at the end of the Corporate Governance report for the year ended December 31, 2023.

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.

This year, Vodafone Qatar successfully participated in "Watan Exercise" in cooperation with all military and civil state institutions to showcase the risks and incidents that the State of Qatar may face. Vodafone Qatar demonstrated its skills and expertise in Network Recovery in different scenarios which were activated in the live telecom environment. This clearly shows that the Company's Telecom Infrastructure has complete "Resiliency" in the network which can support any disruptions in the network.

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 and to fix their fees was approved by the shareholders of the Company at the AGA which took place on 20 February 2023. During the financial year 2023, the Audit Committee and the Board approved additional fees for the external auditors, arising from additional and mandatory audit beyond the initially defined scope of work. This expanded audit scope primarily pertained to the acquisition of a new company during the year and compliance with a new regulatory requirement stipulated by the Qatar Central Bank.

For more details, please refer to Note 7 of the Company's financial statements as of December 31st 2023, which are also included in the Vodafone Qatar Annual Report.

8. DISCLOSURE AND TRANSPARENCY

Vodafone Qatar has throughout 2023 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 invitations, 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 2023.

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

The Company has the following five fully owned subsidiaries:

Subsidiary Companies	Location	Nature of Business	Holding
Infinity Solutions LLC	Qatar	Operational and Administrative Services	100%
Infinity Payment Solutions WLL	Qatar	Electronic Payment Services	100%
Allied Advertising Group WLL	Qatar	Advertising and Sales Promotion	100%
Infinity Fintech Ventures LLC	Qatar	Special Purpose Company	100%
Infinity Global Services LLC	Qatar	Special Purpose Company	100%

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 2023 (as defined in the QFMA Governance Code). For any other transactions with Related Parties, they are mainly 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 2023 was free of any material lawsuits or legal matters that had a financial impact.

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 2023 holding 5% and above of the Company's share capital are as set out in the table below:

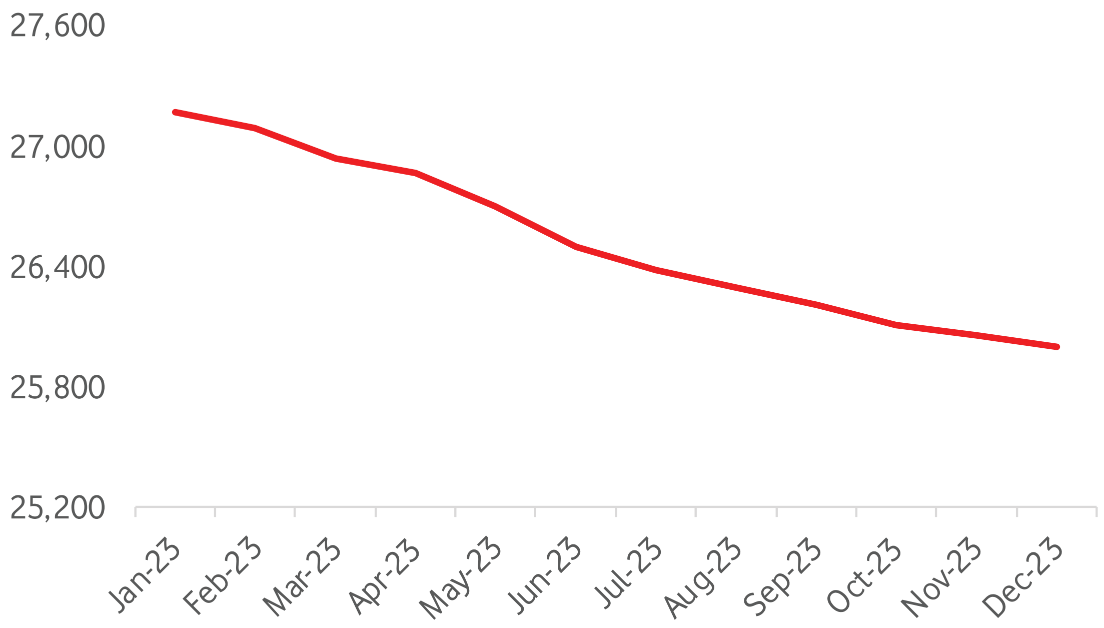
Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC (1)	Corporations	Qatar	1,902,150,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	313,338,869	7.41%
Military Pension Fund - General Retirement Authority	Government	Qatar	229,655,182	5.43%
Qatar Foundation for Education Science and Community Development (2)	Corporations	Qatar	211,350,000	5.00%
		Total	**2,656,494,051**	**62.85%**

(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

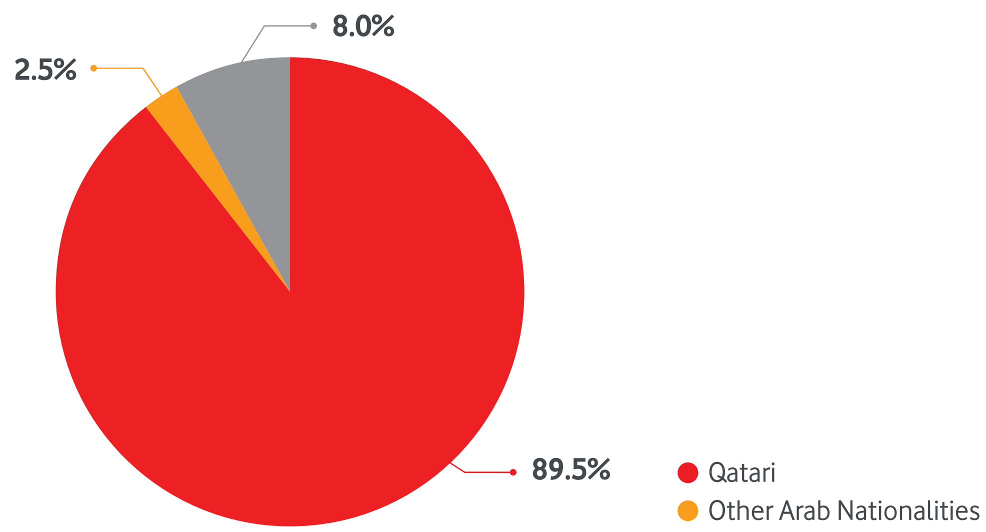
On 31 December 2023, the total number of shareholders in Vodafone Qatar reached 25,994 down from 27,262 as end of December 2022.



14.6 Shareholder Base by Nationality

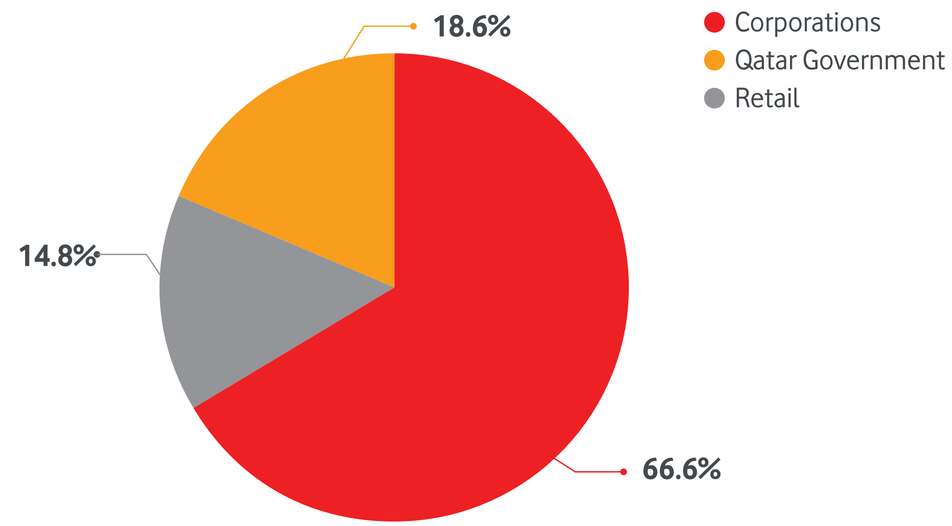
The percentage of shares held by Qatari shareholders (being shareholders, either citizens or entities incorporated in Qatar) decreased slightly to reach 89.5% of the Company's share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC) down from 91.4% as at 31 December 2022.

Shares owned by shareholders from other Arab nationalities and other nationalities reached respectively 2.5% (up from 2% last year) and 8% (up from 6.6% last year) of the Company's share capital.



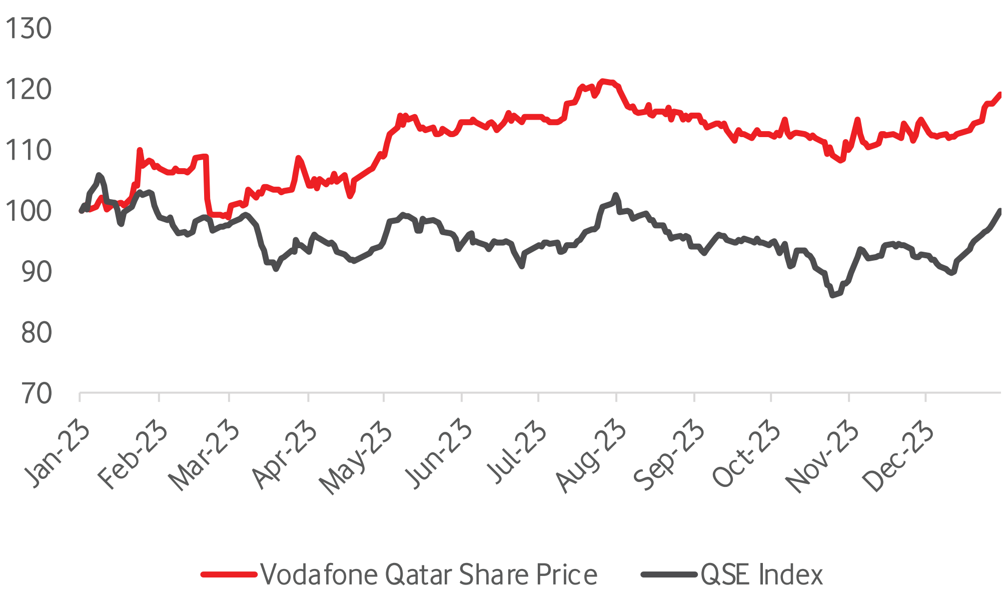
14.7 Shareholder Base by Category

On the 31st of December 2023, the percentage of the Company's issued and paid up share capital owned by corporations reached 66.6% (up from 64.8% last year), those owed by the Qatari Government reached 18.6 % (down from 19.5% last year) and those owned by Retail shareholders reached 14.8% (down from 15.7% last year).



14.8 Share Price Movement

In the financial year ended on 31st December 2023, Vodafone Qatar's share price outperformed the market, increasing significantly by 20.3% to reach QR 1.91 up from QR 1.59 on the 31st of December 2022.



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14.9 Share Trading Activity

Vodafone Qatar has entered into a Liquidity Provision ("LP") agreement with QNB Financial Services for its listed shares on the QSE, in accordance with the LP scheme approved by the QFMA, effective on Thursday, May 11, 2023. The LP Service aims to enhance market liquidity by facilitating increased market depth and trading volumes in shares issued by Vodafone Qatar. Quarterly LP reports can be accessed on the Company's website.

In Financial Year 2023, Vodafone Qatar daily average traded volume and value reached respectively around 3.6 mn shares and QR 6.5 mn.

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 social investments align with its purpose in connecting the people in Qatar and building a digital society that enhances socioeconomic progress, focuses on protecting and improving the environment, and adheres to its Social Corporate Responsibility program.

Vodafone Qatar takes pride in its numerous initiatives that have benefited a wide segment of society since it first began its operations in 2009. Its initiatives focus on three main pillars, Digital Live, Inclusion for All, and protection of the planet.

For more information on Vodafone Qatar's social development and environmental protection and preservation initiatives, kindly refer to the sustainability section of this annual report, or visit the website: https://www.vodafone.qa/sustainability.

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 with 2.5% of its annual net profits to the State Social and Sports Fund. The total amount paid for the financial year 2022 was QR 12.56 mn and the total amount accrued for the financial year 2023 is QR 13.50 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 Directors' assessment whether the Company has a process in place to comply with its Articles of Association, 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 2023.

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 that is free from material misstatement and for the information contained therein. The Board of Directors provided their assessment whether the Company has a process in place to comply with its Articles of Association, 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 2024, 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 also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. 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.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to report thereon in the form of 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. That standard 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, whether the Company has a process in place to comply with its Articles of Association, 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 2023, 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 process for compliance with its Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation, and its 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 Association, 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, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and fair presentation of the Statement.

Our engagement also included assessing the appropriateness of the Company's process for compliance with its Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation and its compliance with the articles of the Code, the suitability of the criteria used by the Company in preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, 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 Association, 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 Board of Directors is responsible for the other information. The other information comprises the information to be included the Company's annual corporate governance report which is 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.

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Criteria

The criteria for this engagement is an assessment of the process for compliance with the Company's Articles of Association, 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 and evidence obtained, 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 2023.

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 2024
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251

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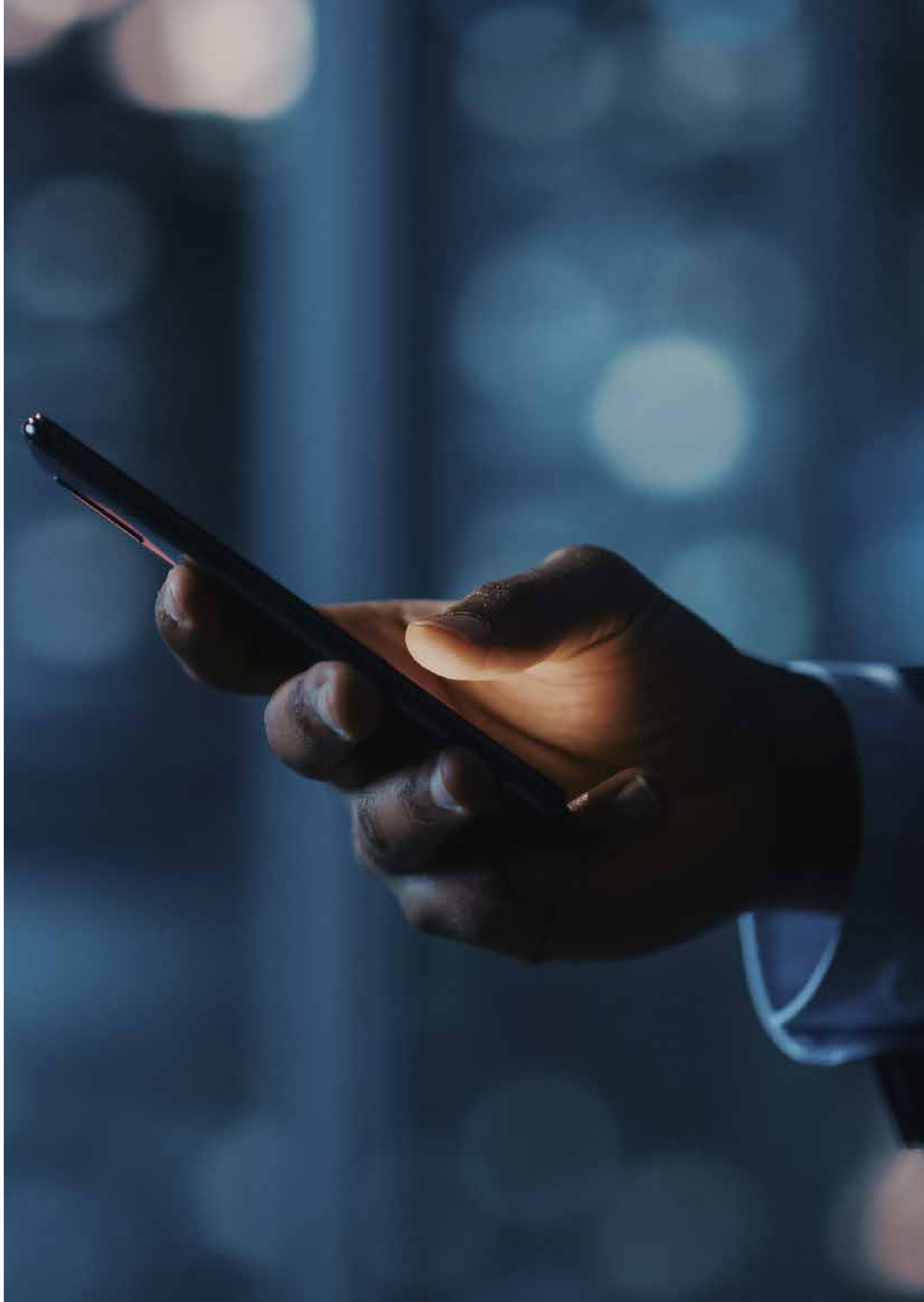

EXTERNAL AUDITORS' REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICOFR)

INDEPENDENT REASONABLE ASSURANCE REPORT

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 2023 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing and fairly stating the Statement that 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 2024 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, entity level control, general ledger, financial reporting and information technology general control;
- 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 effectively operating 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 also responsible for preventing and detecting fraud and for identifying and ensuring that the Group complies with laws and regulations applicable to its activities. 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.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon in the form of 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. That standard 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 suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting, whether due to fraud or error.

Our engagement also included assessing the appropriateness of the Group's ICOFR, and the suitability of the criteria used by the Group in preparing and presenting the Statement in the circumstances of the engagement,, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed, implemented and are operating effectively as of 31 December 2023 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

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 & 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 Board of Directors is responsible for the other information. The other information comprises the information to be included in the Group's annual report which is 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.

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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 2023 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 2023.

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 2024	**Gopal Balasubramaniam**
Doha	**KPMG**
State of Qatar	**Auditor's registration No. 251** **Licensed by QFMA: External Auditor's License No. 120153**

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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 ade¬quate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process de¬signed 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 inad¬vertent 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 provid¬ing 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 2023, 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 the 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 pro¬cedures 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, entity level control, general ledger, financial reporting and information technology general control. 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 2023.

This report on Internal Controls over Financial Reporting was approved by the Board of Directors of the Group on 24 January 2024 and were signed on its behalf by:

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

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Sustainability

3

New Sustainable Heights: Nurturing Future Progress

At the core of Vodafone Qatar's strategic goals lies a profound integration of environmental, social, and economic concerns. In order to tackle these concerns responsibly, Vodafone Qatar has created its sustainability framework, "Connecting for a Better Future". The framework is built on three pillars, digital enrichment, human prosperity, and safeguarding the planet, that reflect the company's commitment to contributing positively to society and the planet while maintaining its position as a leading telecommunications provider. This steadfast commitment ensures a continuous focus on reducing the environmental impact of operations while simultaneously delivering cutting-edge technology to empower communities nationwide.

Digital Enrichment

Embracing a digital-first approach, Vodafone Qatar explores the intersection of technology, data accessibility, and collaboration to drive a paradigm shift toward greater sustainability. By leveraging advanced technology and fostering collaboration, the company aims to harness the power of data to create innovative solutions, amplifying its impact on environmental and societal fronts.

Groundbreaking Collaboration with Microsoft for AI Digital Contact Centre Solution

Vodafone Qatar and Microsoft join forces in a groundbreaking collaboration, signing an MoU to offer an end-to-end AI Digital Contact Centre Platform. This innovative solution, a first-of-its-kind collaboration, equips contact centers with modern digital tools to engage customers across various channels. The platform integrates comprehensive AI capabilities, fostering self-service experiences, live customer engagement, collaborative agent experiences, business process automation, advanced telephony, and fraud prevention.

AI-Powered Instant SIM Activation on Passport

Vodafone Qatar has extended its popular 'e-KYC – Electronically Know Your Customer' registration process to now include both passport and QID verification for new SIM activations on the My Vodafone App. This new feature allows visitors as well as residents in Qatar to instantly connect to the Vodafone network through a few simple steps online. The AI-powered face recognition technology in the My Vodafone App quickly confirms customers' passport details and provides them with the option to either download an eSIM or request for a SIM card to be delivered to their doorstep free of charge and with real-time tracking.

Faster, Greener Internet for a Sustainable Future

Throughout 2023, Vodafone Qatar achieved remarkable milestones, solidifying its status as a telecommunications trailblazer. The announcement of the Middle East's inaugural smart 'Gigacity' in Msheireb, Doha, created in collaboration with Nokia, showcased Vodafone Qatar's prowess in providing a super-fast 25Gb/s fiber network. Concurrently, the groundbreaking Giga Home offering, with 'Gigabit only' speeds nearly ten times faster than the average, set new benchmarks in the industry.

3

Redefining Connectivity Standards with Nokia Collaboration

Vodafone Qatar's commitment to delivering unparalleled connectivity experiences manifested in the extension of its partnership with Nokia. The successful trial of 100Gb/s on a single PON (Passive Optical Network) wavelength not only signifies a breakthrough but also establishes a new norm for high-speed internet connectivity in the Middle East. This collaboration exemplifies Vodafone Qatar's dedication to staying at the forefront of technological excellence.

Human Prosperity

ISO Re-certification for Quality Management

Vodafone Qatar has announced that it has earned the International Organization for Standardization (ISO 9001:2015) re-certification for quality management for its HR Department. This prestigious recognition epitomizes the mobile operator's exceptional compliance with the highest quality standards across all aspects of its HR function to deliver an optimum work environment for its employees.

Partnerships

Long-term partnerships with prestigious institutions like the University of Doha for Science and Technology (UDST), Education Above All (EAA), and the Al Noor Institute for the Blind exemplify Vodafone Qatar's dedication to a unified vision.

The company extends its commitment to fostering sustainability in the academic realm. Collaborating with the College of Business and Economics at Qatar University, Vodafone Qatar sponsors a competition challenging students to integrate sustainability into their business planning. This initiative not only promotes knowledge transfer and digital accessibility but also ensures that the upcoming generation of industry experts incorporates sustainability into their practices, aligning with the industry's best standards.

Safeguarding the Planet

Environment Protection: Pioneering Sustainable Practices

As a leader in environmental responsibility, Vodafone Qatar propels towards a net-zero future, systematically converting network sites to commercial power sources, effectively minimizing direct fuel consumption. Over the past few years, Vodafone Qatar converted more than 200 sites to commercial power, and more than 270 sites were converted to a hybrid fuel consumption model. Compared to normal sites, the average fuel consumption decreased by 40%, thereby reducing our climate impact. Adding to this commitment, the deployment of Power Cubes stands as a symbol of the company's dedication to harnessing energy from renewable sources, thereby contributing substantially to a more sustainable and eco-friendly energy ecosystem.

Advanced Hybrid Power Solution

Vodafone Qatar's Green Network initiative is poised to revolutionize the telecommunications landscape in Qatar. Through strategic investments in energy-efficient technologies, sustainable practices, and a focus on reducing carbon emissions, Vodafone Qatar is spearheading efforts to build an eco-friendly network by implementing innovative solutions aimed at curbing diesel generator (DG) runtime and fuel consumption. The advanced hybrid power solution includes a solar solution and an intelligent fuel removal solution, providing a green and reliable power supply. The intelligent fuel removal solution intelligently schedules solar energy, DG, grid, and lithium battery, greatly reducing the DG working time.

Review of the Year

4

Review of the Year

KEEPING OUR PROMISES, SERVING OUR PURPOSE

A Year of Commitment and Innovation

Building on our past successes and continuing to keep our promises, Vodafone Qatar proudly reflects on a remarkable year. Our unwavering commitment to customer satisfaction, deeply embedded in our core values, has driven our efforts, and set the stage for significant achievements.

Vodafone Qatar has become one of the regional leader in transformative initiatives, exemplifying its commitment to technology, innovation, sports, and sustainability through participation in prestigious international sports events. These pillars define the company's identity and highlight its impact in the dynamic telecommunications landscape.

Empowering Sustainability: Vodafone Qatar's Impactful Sponsorships in 2023

As part of our constant commitment to shaping a sustainable future for Qatar, Vodafone has been a driving force in influential events throughout the year. Proudly sponsored by Vodafone Qatar, the International Conference on Innovation and Technological Advances of Sustainability (ITAS) 2023, under the patronage of H.E Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani, Prime Minister, and Minister of Interior, provided a global stage for experts and leaders to discuss groundbreaking ideas for achieving UN-SDGs. Additionally, Vodafone Qatar served as the Telecommunications sponsor for the Tarsheed Carnival 2023, promoting sustainability principles to families and children in alignment with Qatar's National Vision 2030.

Notably, Vodafone Business took center stage as the Official Technology Sponsor for the 10th edition of the Qatar International Agricultural and Environmental Exhibition (AgriteQ). Drawing over 30,000 attendees and featuring 675 exhibitors from 55 countries, this pivotal event facilitated industry expert discussions on cutting-edge agricultural technologies and equipment. AgriteQ serves as a nexus for engaging with decision-makers, offering insights into best practices, and fostering innovations in agricultural methodologies. It plays a crucial role in promoting food security and sustainable development, aligning seamlessly with Vodafone's commitment to progress and sustainability in Qatar.

Sports and Health

At Vodafone Qatar, we recognize sports as a powerful force for unity and positive transformation. In 2023, our proud partnership with the "King of the Court" volleyball championship finals at Aspire Zone showcased our commitment to fostering community, teamwork, and sportsmanship. Beyond entertainment, we believe in the enduring influence of sports on discipline, character, and the well-being of our society.

In 2023, Vodafone Qatar stood as the primary partner for the thrilling "King of the Court" volleyball championship finals at Qatar's Aspire Zone, showcasing our unwavering commitment to promoting sports and entertainment. This event, held from January 11th to the 14th, provided a platform for top-tier volleyball talents, embodying values of teamwork and sportsmanship.

Additionally, Vodafone Qatar served as the Official Telecom Partner for the 3rd edition of the Katara International Arabian Horse Festival, celebrating the grace and heritage of Arabian horses, aligning with our commitment to our nation's rich cultural tapestry. We also proudly partnered with the Master Padel Tournament 2023 as the Official Telecom Sponsor, emphasizing our dedication to sports and community building in Qatar.

On Qatar National Sports Day, we proudly supported Aspire Zone and Lusail Crescent Park, fostering a culture of active living, and celebrating the joy of sports. We further sponsored prestigious events like the H.H. Emir's Sword Horse Jumping Championship and the 10th edition of the Commercial Bank CHI Al-Shaqab, highlighting our commitment to Qatar's thriving equestrian culture.

Vodafone Qatar was the Official Sponsor of the QOC Beach Games 2023, showcasing the exceptional talents of Qatar's athletes across various sports disciplines. Lastly, we took center stage as the main sponsor for the 11th edition of Qatar's Strongest Man championship, celebrating the strength and determination of athletes who pushed their limits to achieve greatness. We stand proud alongside these incredible athletes as they showcased their prowess on the national stage.

4

Innovation and Technology

In an era dominated by innovation and technology, Vodafone Qatar stands as a vanguard, not merely adapting to change but leading the charge in shaping the future of telecommunications. Setting new benchmarks, our groundbreaking GigaHome service ushered in a new era of fiber internet speeds, making us the first in the Middle East to exclusively offer 'Gigabit only' speeds. This transformative service, doubling speeds to 2 Gbps during Eid Al Adha, exemplifies our commitment to delivering lightning-fast connectivity at unprecedented rates.

In June 2023, Vodafone Qatar revamped postpaid portfolios, offering more value and variety at lower prices. The "Unlimited," "Unlimited Premium," and "Unlimited VIP" Postpaid plans cater to High and Mid-value customers, providing unlimited local and roaming data, ensuring seamless connectivity for travelers. The new Mid-Value Postpaid plans, "Postpaid Essential" and "Postpaid Extra," offer increased local data, aligning with customers' evolving digital lifestyles.

In keeping with Qatar's evolving business landscape, Vodafone Qatar partnered with Google Cloud to introduce groundbreaking Interconnect Services. The result, Google Cloud Interconnect from Vodafone Qatar, empowers businesses with private network connectivity to Google Cloud, boasting advantages like high availability, minimal latency, and enhanced security. Our commitment to this venture was highlighted as Vodafone Qatar proudly sponsored the regional launch ceremony of Google Cloud.

Adding to our achievements, Vodafone Qatar played a pivotal role as the Exclusive Telecom Partner of Project Qatar 2023, the region's foremost construction business platform. At this event, we showcased cutting-edge IoT demonstrations and technological innovations, providing attendees with firsthand experiences of these pioneering solutions.

Furthering our commitment to technology, Vodafone Qatar took on the role of Platinum Sponsor for the AI event, "From Imagination to Reality: #RisewithMicrosoftAI," in collaboration with Microsoft and the Ministry of Communications and Information Technology (MCIT). This exclusive event served as a powerful showcase of the transformative capabilities of artificial intelligence.

In a testament to innovation, our Vodafone Experience Store in Place Vendôme stands as a nexus where technology and the human spirit intersect. Beyond being the largest Vodafone Qatar store in the country, this location offers visitors a truly immersive Vodafone brand experience. Individuals can explore cutting-edge technologies firsthand through virtual reality (VR) experiences, interactive displays, IoT interactive augmented reality demonstrations, and more.

As we reflect on this dynamic year of progress, Vodafone Qatar celebrates remarkable milestones while remaining steadfast in our commitment to core values and purpose. Evolving from a telecommunications provider to a tech company, our endeavors span sports, sustainability, and innovation, aiming to merge technology with the human spirit for better outcomes. As we look back on this exceptional year, Vodafone Qatar takes pride in its accomplishments and remains dedicated to providing the best solutions for fostering sustainability, sports, and innovation, both for our customers and our nation.

CLOSER CONNECTIONS THROUGH EXPANDED RETAIL EXPERIENCE

Retail footprint and experience

In the pursuit of strengthening our bond with customers, Vodafone Qatar has amplified its retail footprint and experience. Strategic expansions in key locations, including the introduction of two new kiosks at Hamad International Airport, showcase our commitment to providing unmatched customer experiences. Renovations at City Centre Mall and the Pearl align our stores with the latest brand identity and digital-centric approach, reflecting our dedication to quality, convenience, transparency, and reliability. Embracing innovation, our retail channel now offers paperless queuing systems and introduces iPay in stores, empowering customers to load their iPay wallets and make seamless purchases, reinforcing our position as a leader in the market.

Expanding Digital Footprints

As a telecommunications company committed to amplifying our outreach and coverage, we've introduced innovative solutions to enhance our digital presence. The VSA application stands as a testament to our pursuit of broader outreach. Mass-market retailers equipped with recharge POS machines can now seamlessly activate prepaid services using the VSA app, revolutionizing the process for digital recharges, bill payments, and prepaid SIM activations at their stores. This integration not only elevates operational efficiency for retailers but also contributes significantly to their overall effectiveness in delivering superior customer service. In addition, iPay has been introduced in Vodafone Qatar Retail stores to further augment our digital footprint, providing a comprehensive suite of solutions for both retailers and customers alike.

VODAFONE QATAR'S PIONEERING ROLE IN RESPONSIBLE DATA ANALYTICS

In the dynamic landscape of Qatar's digital and AI transformation, Vodafone Qatar stands at the forefront, excelling as both a user and provider of state-of-the-art Big Data and Advanced Analytics solutions, fueled by cutting-edge Artificial Intelligence (AI) technologies. Throughout 2023, our strategic investments in technology fortifications resulted in remarkable commercial gains.

We proudly pioneer a diverse suite of Big Data and Advanced Analytics solutions tailored for Qatari governmental and corporate entities. Our clientele includes leading commercial and government organizations, with whom we collaborate closely to deliver highly customized AI solutions. Notably, partnerships with entities like Qatar Tourism and the FIFA Supreme Committee contribute to the fulfillment of Qatar's National Vision 2030, especially in light of the monumental FIFA World Cup 2022.

Vodafone Qatar's commitment to innovation is reflected in our strategic investments in specialized AI areas, deploying cutting-edge data science and machine learning platforms capable of real-time processing of terabytes of data. This powerful combination, leveraging data generated by our telecommunications systems, allows us to create innovative data science solutions driving growth, operational efficiency, and actionable insights. Our AI expertise spans Real-Time Decisioning, Supervised and Unsupervised Machine Learning, Descriptive, Predictive, and Prescriptive Analytics, Deep Learning & Neural Networks, as well as Data Visualizations and Storytelling. These capabilities empower partners in transport, tourism, delivery services, and retail sectors with rapid insights and innovative AI solutions, optimizing customer acquisition, engagement, and retention.

Moreover, Vodafone Qatar actively contributes to the growth of Qatar's AI ecosystem by identifying top international talent and investing in local talent through specialized training programs. Our commitment extends beyond business success to fostering the next generation of AI leaders in Qatar.

In this transformative journey, privacy and data security remain our highest priority. Guided by robust Data Governance frameworks and compliance with local and international Data Privacy and Security laws, we continue to prioritize data privacy and security. Our commitment, evident since the Q4 2019 privacy policy update, has strengthened customer confidence in Vodafone Qatar as a reliable and secure digital services provider. As the global telecommunications landscape evolves rapidly, driven by digital and AI technologies, Vodafone Qatar remains dedicated to exceeding customer expectations, placing the safeguarding and optimization of customer data above all else, solidifying our leadership in this domain.

ADVANCING CONNECTIVITY, ENHANCING EXPERIENCES

In 2023, Vodafone Qatar reaffirmed its commitment to digital innovation, emphasizing future readiness and market competitiveness through our WE CARE initiatives. These initiatives, integral to our evolution into next-generation connectivity and digital services provider, are aligned with Qatar National Vision 2030, contributing to the establishment of an inclusive and sustainable digital society.

A standout project for the year was the Voice of Customer initiative, a transformative effort dedicated to refining the customer experience and deepening our digital footprint. By incorporating successful strategies from global markets, we bolstered our frontline support capabilities, ushering in a new era of procedural efficiency and elevated service quality.

Recognizing the pivotal role of seamless access, we introduced enhanced functionalities across our digital channels in 2023. These customer-centric initiatives empower users with unprecedented control, embodying our commitment to secure, convenient, and swift interactions.

Enhanced Payment Convenience

Google & Apple Pay Integration: Elevating the payment experience, we seamlessly integrated Google and Apple Pay into the My Vodafone App. This empowers users to execute transactions swiftly and securely, such as recharges and bill payments, enhancing overall convenience. On the other hand, Autopayment allowed postpaid customers to have worry-free bill payment experience.

Innovative Flash Messages: Introducing the dynamic Flash Messages functionality, allowing instant delivery of text messages directly to users' screens. Initially deployed by our collection team for prompt payment reminders, this technology holds promise for versatile and efficient communication in the future.

Enhanced Shopping Experience: Elevating Convenience and Accessibility

eKYC Advancements: Expanding on the success of the eKYC feature introduced during the 2022 FIFA World Cup, we have now extended this capability to QID and passport holders. Residents and passport holders can effortlessly purchase new connections or port existing ones, enjoying secure live face and ID verification, electronic document signing, and real-time order tracking. This seamless and secure shopping experience is set to further evolve in 2024, as we plan to extend eKYC functionality to passport holders.

Pop-Up Functionality: To optimize our customers' purchasing journeys, especially during plan or e-shop page checkouts, we implemented a pop-up functionality. This ensures users are alerted to special limited-time offers, preventing them from missing out on exclusive deals.

Streamlined Website Navigation: Committed to enhancing the user experience (UX), we've made significant improvements to our website. Navigating through postpaid, prepaid, and fixed plans is now more intuitive, enabling users to find information effortlessly and ensuring a smoother purchasing process.

Efficiency Redefined - Streamlining Transactions:

With the aim of providing our customers with a faster and seamless transaction experience, our enhanced login feature empowers users to swiftly execute actions such as acquiring new lines, porting existing numbers, recharging, bill payments, and device purchases—all without the hassle of logging into their My Vodafone App accounts.

To simplify the add-on purchase process, we've automated bill limit adjustments based on the add-on value, eliminating user calculations and activations. Embracing technological advancements, we transitioned from manual interactive models to cutting-edge AI-assisted approaches like "Conversational Marketing" and the "WhatsApp Business channel," reshaping customer behavior towards a preference for interactive conversation-based methods, even during roaming.

Our AI-powered Chatbot, Labeeb, has evolved through continuous learning, enhancing its ability to understand and analyze data for identifying correlations and patterns. In 2024, Labeeb will leverage these insights to make more accurate predictions, translating them into actionable information for an elevated customer experience.

Looking ahead, our focus for 2024 is on elevating our digital capabilities, with a specific emphasis on artificial intelligence (AI) and robotic process automation (RPA). These advancements will streamline operations through automation, empowering customers with self-service options and reinforcing our role as digital transformation pioneers on both national and regional fronts. Despite global economic uncertainties, we are unwavering in our commitment to navigating challenges and executing our digital strategy with the same vigor displayed in 2023.

GIGANET'S EVOLUTION: PAVING THE WAY FOR A SEAMLESS DIGITAL FUTURE

In 2020, GIGANET laid the foundation for a Gigabit society, intertwining everything and everyone through our robust GigaNet network. Committed to enabling business success and sustainability in the digital realm, we made substantial investments that year to upgrade our network and IT systems, ensuring a secure and reliable connection for our customers across Qatar. Building on this commitment, 2022 and 2023 witnessed further significant investments, solidifying our position as pioneers in providing cutting-edge data and digital connectivity solutions.

IT & Digital Transformation

In 2020, Vodafone Qatar embarked on a comprehensive digital transformation journey, successfully overhauling our IT application stack. A notable milestone in this evolution was the introduction and full functionality of eKYC in 2023. Our commitment extends to transforming IT applications into cloud-native systems, an ongoing program poised to significantly enhance our digital capabilities.

Further Expanding 5G Networks

Dedicated to propelling Qatar's economic growth, we continue our relentless expansion of the 5G network. Notably, we have completed the deployment of our cutting-edge network at 8 stadiums, ensuring state-of-the-art 4G/5G/mmWave coverage. This strategic move guarantees optimal capacity and a seamless customer experience for Qatar's guests and fans. Additionally, the introduction of the 5G 2nd carrier empowers users to achieve speeds of up to 3 Gbps, showcasing our commitment to delivering the latest advancements in 5G technology.

Network Performance Excellence: Elevating Connectivity Standards

Remarkable Speed Surge: The Annual Regulator audit report highlights a substantial leap in data download speeds, reaching an impressive 823.2 Mbps from the preceding year's 580.7 Mbps. This significant progress underscores our continuous commitment to delivering world-class connectivity solutions, ensuring the people of Qatar experience unparalleled user satisfaction.

Technology NPS Milestone: Our Technology Net Promoter Score (NPS) achieved its highest mark, reflecting a commendable 10-point increase over the past 12 months. This notable improvement reaffirms our dedication to providing exceptional services and signals the trust and satisfaction our technology garners from our users.

Advanced Technology Driving Excellence: Leveraging cutting-edge technologies such as Machine Learning and Artificial Intelligence, our commitment to excellence is evident in the year-on-year improvement in our quality of service. These state-of-the-art tools play a pivotal role in maintaining and enhancing the high standards we set for ourselves, ensuring a consistently superior user experience.

Cloud Modernization

As part of advancing digitalization journey, Vodafone Qatar leverages cloud technologies as key enablers. The introduction of a new cloud platform propels the modernization of network and IT applications, transforming them into fully digital and cloud-native systems. This initiative not only opens doors for innovation but also creates avenues for new revenue streams.

Cybersecurity

The ever-growing demand for data services locally and globally, coupled with the expansion of our network in an interconnected digital landscape, necessitates robust cybersecurity measures. To meet these challenges, Vodafone Qatar consistently attracts top-tier talent to strengthen our Cybersecurity Risk Prevention & Defense Systems. This year, our investments enhanced workplace security capabilities, locally managed in Qatar. We fortified the Cyber Security Operations Centre, integrating host and network-based detection and response, digital risk protection, and privilege access management.

Service Management

NOC Automation initiatives align with our strategic goal of enhancing customer service and network reliability. Automation has significantly improved data accuracy and reduced human error by 20%, employing automated data validation and categorization through the integration and enhancement of existing Automation/AI capabilities. Additionally, our groundbreaking deployment of the world's longest high-capacity dual-band microwave transmission link (10 Gbps) spanning 10.51 km in the Inland Sea area facilitates 5G connectivity in remote locations. This deployment, combining multiple frequency bands and intelligent beam-tracking antennas, enhances our network's speed and capability. Furthermore, the implementation of the first 20 Gbps microwave transmission backhaul link in Qatar positions us for 5G second carrier upgrades and future 6G readiness across our network.

IPv6 Integration at Vodafone Qatar: Pioneering Connectivity for the Future

Vodafone Qatar takes a significant leap forward by implementing Dual-Stack IP across all customer segments and connectivity products, spanning Fixed and Mobile data services.

The adoption of IPv4/IPv6 Dual Stack within our network marks a strategic move, ensuring a seamless transition from the depleting IPv4 address space to the expansive IPv6 realm. This transition not only supports the continued growth of connected devices but also serves as a crucial foundation for accommodating the evolving Internet of Things (IoT) ecosystem. By facilitating futureproofing, Vodafone Qatar ensures its readiness for the dynamic technological landscape of tomorrow.

Dual Stack's key advantage lies in its ability to enhance network compatibility, allowing seamless communication with both IPv4 and IPv6 customers. This eradicates the need for intricate translation mechanisms, contributing to a more streamlined and efficient network infrastructure.

The extensive rollout of IPv4/IPv6 Dual Stack underscores Vodafone Qatar's unwavering commitment to delivering cutting-edge services that harmonize with the ever-evolving technological landscape. This initiative exemplifies our dedication to providing a superior and reliable network experience, reinforcing our position as a leader in the telecommunications industry.

Fixed

In CY23, Home Connect experienced substantial growth, witnessing an increase of 27k units. The total number of Home Passed reached 330k, with 267k Homes Connected across Qatar. Our commitment is further reflected in the deployment of approximately 4,578 KM of fiber throughout the year. Notably, we achieved a significant milestone with the successful launch of 10G – XGS PON, covering all areas of the fixed network. Pioneering innovation, Vodafone Qatar HQ conducted the first trial in the region for the next generation 25G PON.

Throughout the year, our special emphasis has been on extending the reach of the fixed network, particularly targeting residential areas, including single-dwelling units (SDU). This strategic initiative aims to connect Qatari homes and standalone villas, ensuring a broader and more inclusive network coverage.

VODAFONE'S COMMITMENT TO ENTERPRISE ADVANCEMENT IN 2023

In 2023, Qatar's dynamic market, post the global sporting event, saw increased business exposure and investments, fostering a climate of technological innovation. Vodafone Qatar, in line with its core strategy, remained steadfast in delivering cutting-edge solutions to drive a comprehensive shift toward a fully digital ecosystem.

Our mission is centered on inspiring enterprises across diverse sectors, from startups to corporate giants, to embrace digital technologies for enhanced efficiency and goal attainment. The rapid adoption of advanced Information and Communication Technology (ICT) solutions became the common thread among businesses of all sizes, from private enterprises to governmental bodies.

As a trusted catalyst for digital transformation, our focus expanded to enriching Qatar's Internet of Things (IoT) landscape. Venturing into diverse IoT applications, we empowered industries to elevate efficiency and performance through cutting-edge ICT solutions, solidifying our role as a pioneer in digital innovation.

Going beyond traditional telecommunications services, our ambition was to provide end-to-end solutions for business customers' evolving ICT needs. Our diverse product portfolio, now spanning Managed Services, Advanced ICT Services, and IoT solutions, along with a comprehensive range of mobility and fixed services, aimed to empower businesses across sectors such as finance, construction, education, hospitality, sports, retail, and the food and beverage industry. This holistic approach demonstrated our determination to meet market demands and contribute significantly to the digital transformation in alignment with the Qatar National Vision 2030.

In this ever-evolving landscape, Vodafone Qatar remains at the forefront of innovation, striving to bring forth ingenious solutions and state-of-the-art technologies, ensuring that Qatar's vision for the future becomes a vibrant reality.

FEB 2023: Pioneering Collaboration with Ariane Real Estate

Vodafone Qatar proudly announces the signing of a Memorandum of Understanding (MoU) with Ariane Real Estate, heralding a strategic partnership for the co-creation of cutting-edge digital solutions within the real estate sector. This collaboration aims to facilitate knowledge exchange, offer consultancy services, and jointly develop innovative, digitally-centered initiatives. Together, Vodafone Qatar and Ariane Real Estate strive to identify opportunities and leverage their combined expertise to enhance and advance the digital landscape of Qatar's real estate industry.

MAY 2023: Premier Sponsorship for Google Cloud Region Launch Event

Vodafone Qatar takes center stage as one of the Premier Sponsors for Google Cloud's highly anticipated region launch event on May 22, 2023, at the Qatar National Convention Center. This sponsorship underscores our commitment to showcasing the capabilities that can propel cloud adoption in Qatar. By demonstrating the power of data, Vodafone Qatar aims to support businesses and public organizations on their digital transformation journey.

MAY 2023: Empowering Digital Transformation with Google Cloud Partnership

In a strategic move, Vodafone Qatar joins Google Cloud's Partner Interconnect initiative, offering businesses of all sizes in Qatar direct Interconnect Services. This collaboration accelerates cloud adoption and supports the digital transformation journey by providing businesses with a private Vodafone Qatar network connectivity service. This service guarantees high availability, low latency, and enhanced security, crucial elements for success in today's digital era.

MAY 2023: Exclusive Telecom Partnership for Project Qatar 2023

Vodafone Qatar is announced as the Exclusive Telecom Partner for Project Qatar 2023, from May 29 to June 1, at the Doha Exhibition and Convention Center. As Project Qatar's 19th edition focuses on construction and related sectors, Vodafone Qatar's exclusive partnership positions it as a key player in facilitating connectivity, networking, and business leads among participants from Qatar and the GCC.

JUN 2023: Platinum Sponsorship for Microsoft AI Event

Vodafone Qatar proudly assumes the role of Platinum Sponsor for the exclusive AI event, "From Imagination to Reality: Rise with Microsoft AI," organized by Microsoft in cooperation with the Ministry of Communications and Information Technology (MCIT) on June 15, 2023. The event will showcase breakthrough AI use cases, emphasizing Vodafone Qatar's commitment to exploring AI's transformative capabilities for businesses in Qatar and supporting their digital transformation journey.

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JUN 2023: Groundbreaking Collaboration with Microsoft for AI Digital Contact Centre Solution

Vodafone Qatar and Microsoft join forces in a groundbreaking collaboration, signing an MoU to offer an end-to-end AI Digital Contact Centre Platform. This innovative solution, a first-of-its-kind collaboration, equips contact centers with modern digital tools to engage customers across various channels. The platform integrates comprehensive AI capabilities, fostering self-service experiences, live customer engagement, collaborative agent experiences, business process automation, advanced telephony, and fraud prevention.

NOV 2023: Vodafone Qatar and Qatar Financial Center (QFC), a leading onshore financial and business center in the region, have signed a Memorandum of Understanding (MoU) to support the establishment of businesses in Qatar. As a strategic partner of QFC, Vodafone will be offering the latest communication, digital, and technology services, ranging from mobile and fixed services to Internet of Things (IoT) and Cyber Security solutions, for new and existing QFC-licensed firms, addressing the technology requirements of their workforce while fostering flexibility and enhancing business agility in the workplace."

OUR PEOPLE AND CULTURE

A Commitment to People and Progress

In 2023, we reaffirmed our commitment to excellence by investing in innovative talent development programs and fostering a culture of continuous learning. This dedication empowers our employees to be agile and adaptable in the ever-evolving technology landscape. Our holistic approach to employee well-being, encompassing mental health initiatives and professional development opportunities, has not only elevated job satisfaction but also cultivated a passionate and motivated workforce ready to tackle any challenge. As an organization, we are not merely successful; we are positioned to excel in an ever-changing business environment, thanks to HR's unwavering commitment to nurturing and equipping our greatest asset – our people.

Human Resources played a pivotal role in shaping our priorities and guiding the organization to embrace new challenges in 2023. Building on the success of 2022, marked by our exceptional support during the football World Cup in Qatar, our HR business objectives were inspired by the stellar performance that year. Recognized for leading-edge technology and unparalleled customer care, Vodafone Qatar ensured a connected experience for residents and visiting fans alike. The relentless efforts of our staff garnered widespread acclaim for providing a seamless digital connectivity experience.

In 2023, our challenge was twofold: to sustain the momentum built in the previous year and push the envelope further. With a focus on talent and culture priorities, we are poised not only to meet but exceed the evolving expectations of our dynamic business landscape.

A Year of Achievements and Employee Engagement

In 2023, we proudly achieved ISO 9001:2015 re-certification for our HR Services, a testament to our steadfast commitment to Excellence and Continuous Improvement. Rigorous assessment and refinement of policies and procedures underscored our dedication to aligning HR practices with the highest international standards. Notably, our revamped onboarding processes and updated job descriptions, incorporating a competency framework, reflect our commitment to efficiency and strategic alignment with company objectives.

To ensure our services resonate with our staff, we conducted a comprehensive HR Services Survey, with a majority of employees actively participating and providing invaluable feedback. Complementing this, our popular HR Open House and Let's Talk programs fostered open dialogue and enabled the implementation of innovative recognition and reward schemes, directly inspired by employee input.

Throughout the year, our commitment to fostering a sense of community remained evident. From company suhoor, virtual and in-person staff gatherings, Qatar National Day celebrations, to engaging events like the national sports day and padel tournaments, we continued to strengthen camaraderie. Moreover, our proactive approach to employee well-being included informative sessions on healthy eating habits, office ergonomics, eye care, and smoking cessation support. In 2023, our endeavors were not just about meeting standards but surpassing them, creating a workplace that thrives on excellence and employee satisfaction.

Driving Sustainable Growth During 2023

In 2023, we undertook a groundbreaking transformation of our office IT services, a collaborative effort between Office IT and HR. The success of this endeavor was ensured by HR's strategic formation of a Change Management team comprising of different stakeholders, orchestrating meticulous planning and delivery.

Throughout the year, our focus on re-skilling and up-skilling programs allowed employees to refine their expertise in cloud computing, data analytics, digital transformation, and emotional intelligence. Renowned experts such as Warren Knight and Dr. Dera Aldosari broadened our employees' knowledge horizons.

Maintaining a healthy Qatarization rate, despite workforce optimization, was a testament to our judicious recruitment and role reduction through digitalization initiatives. We distinguish ourselves in the fierce competition for Qatari talent by offering unparalleled opportunities for development and career growth.

Remaining a top technology destination for internships in Qatar, we hosted ambitious students from leading colleges and universities, providing them with invaluable experiences alongside our finest mentors. Our robust internship program sees many interns returning as regular employees, solidifying our commitment to talent development and continuity.

Revolutionizing HR through Digitalization

In our proud HR heritage, embracing digitalization is not just a tradition but a strategic imperative. Our HR team leverages cutting-edge digital tools and platforms, seamlessly integrating data-driven recruitment processes, online learning modules, and development resources. By championing continuous skill-building and upskilling, we empower our workforce to navigate the challenges of an evolving digital landscape. Through advanced analytics, we extract valuable insights into workforce performance, enabling informed decision-making and strategic talent adjustments. This commitment to digitalization not only enhances efficiency but also positions our workforce for success in an increasingly digital world, ensuring the long-term competitiveness of our company.

In 2023, we implemented AI-driven bots in HR and Corporate Affairs, particularly in Fraud Management, enhancing scalability, and improving efficiency. By entrusting repetitive tasks to AI, we aim to alleviate the workload on our staff significantly.

Our commitment to innovation extends to our recruitment processes, where we've seamlessly integrated Oracle for enhanced functional efficiency and user experience. This strategic move is poised to reduce recruitment time, ensuring swift and efficient fulfillment of vacant positions.

This digitalization journey marks a transformative phase for Vodafone Qatar, empowering our workforce and shaping the future of our operations. As we continue this trajectory, digitalization will remain a cornerstone, driving efficiencies, seeking innovative alternatives, and ensuring sustained enhancements through digital interventions in all our endeavors.

Navigating Tomorrow: Anticipating Challenges, Embracing Innovation

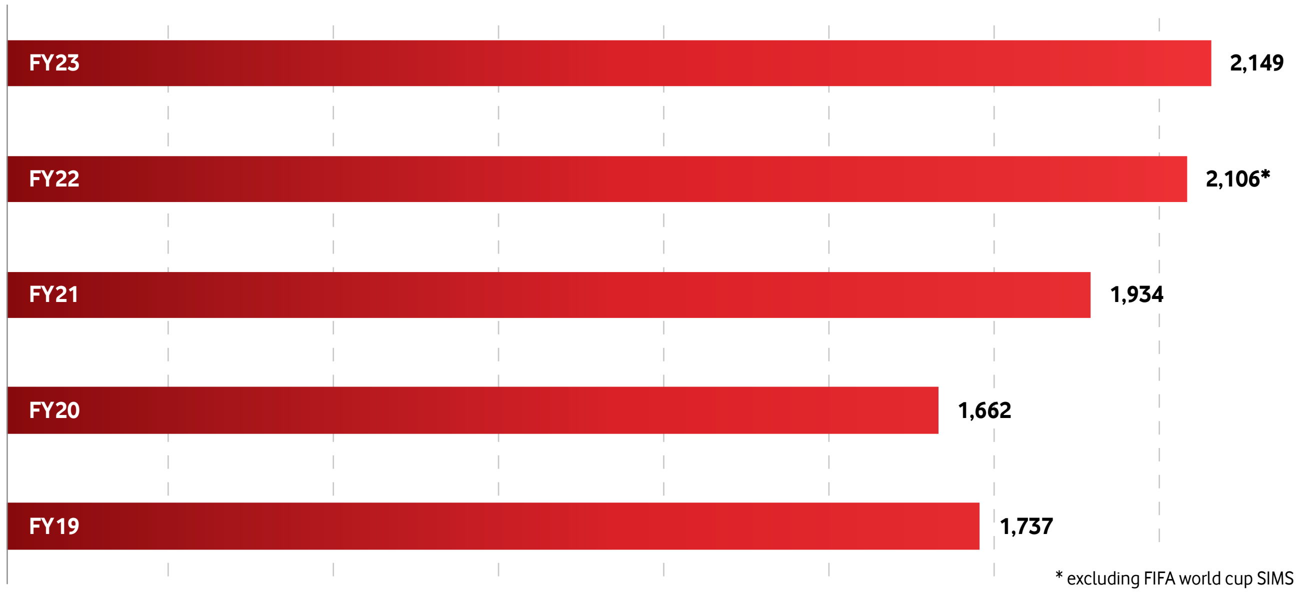
In anticipation of the future, we are keenly aware of impending challenges, such as integrating Generation Z into the workforce, the rapid evolution of technology, market competition, and the imperative for sustainability. Positioned at the forefront, we are ready to tackle these challenges, ensuring our adaptability, competitiveness, and resilience in the face of evolving demands. As the world swiftly transforms, our HR initiatives champion innovation, adaptability, and forward-thinking strategies, strategically positioning us to attract, retain, and nurture top talents.

Financial and Operational Highlights

5

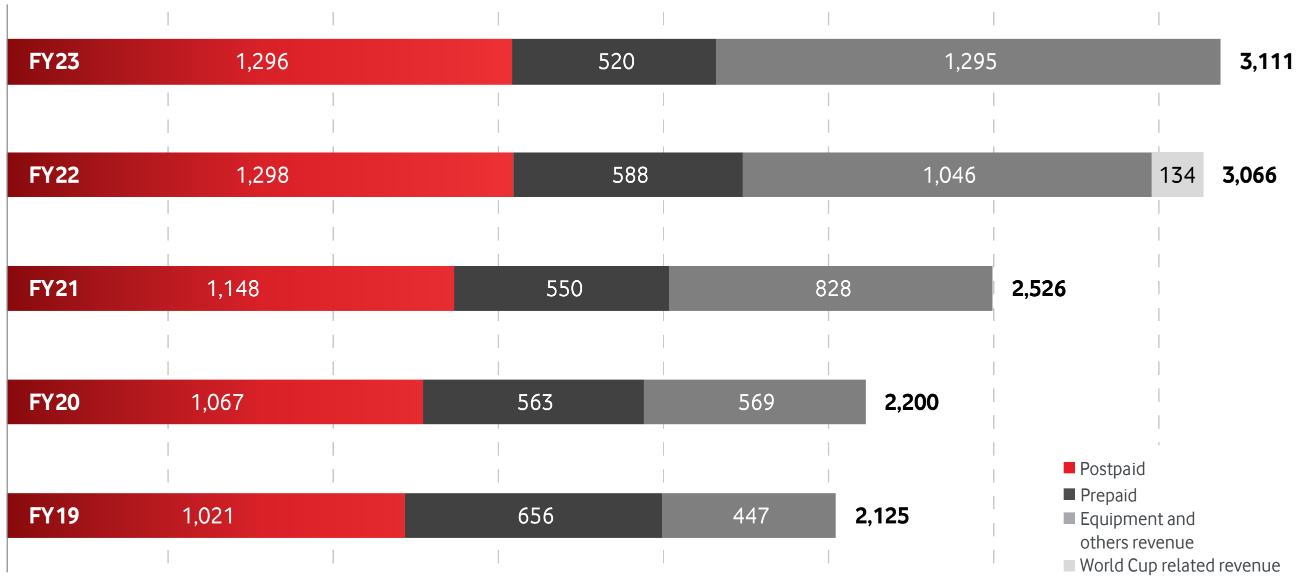
All of the reported numbers are rounded to the nearest millions

Mobile Customers (000)



All of the reported numbers are rounded to the nearest millions

Revenue (QR m)



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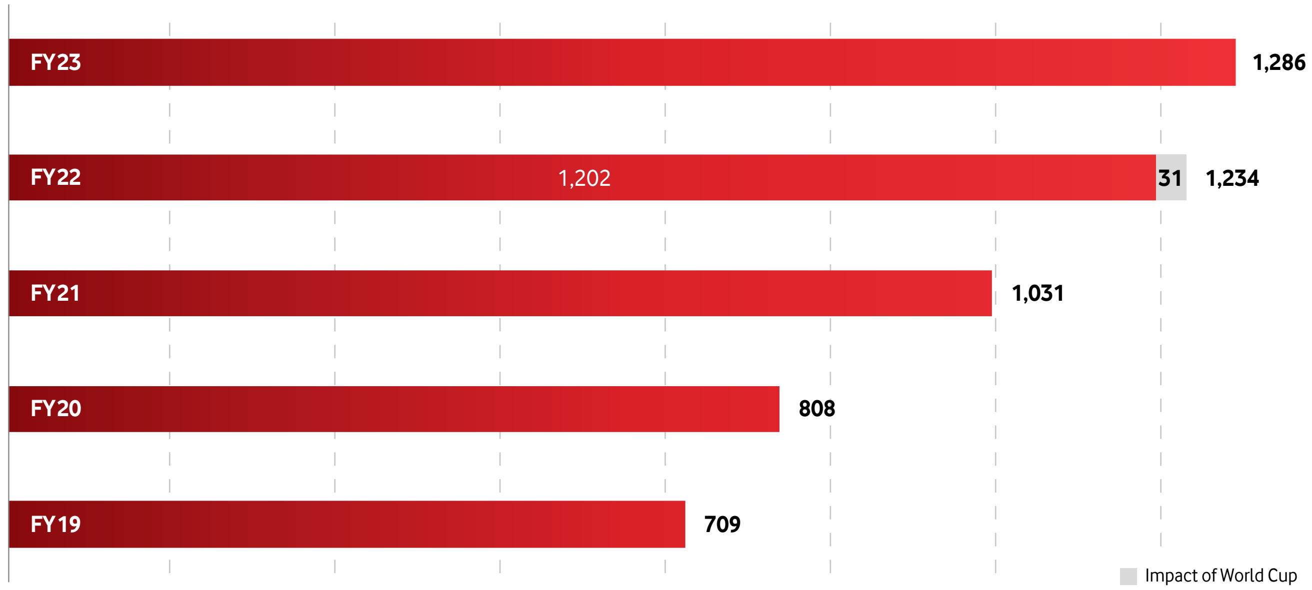
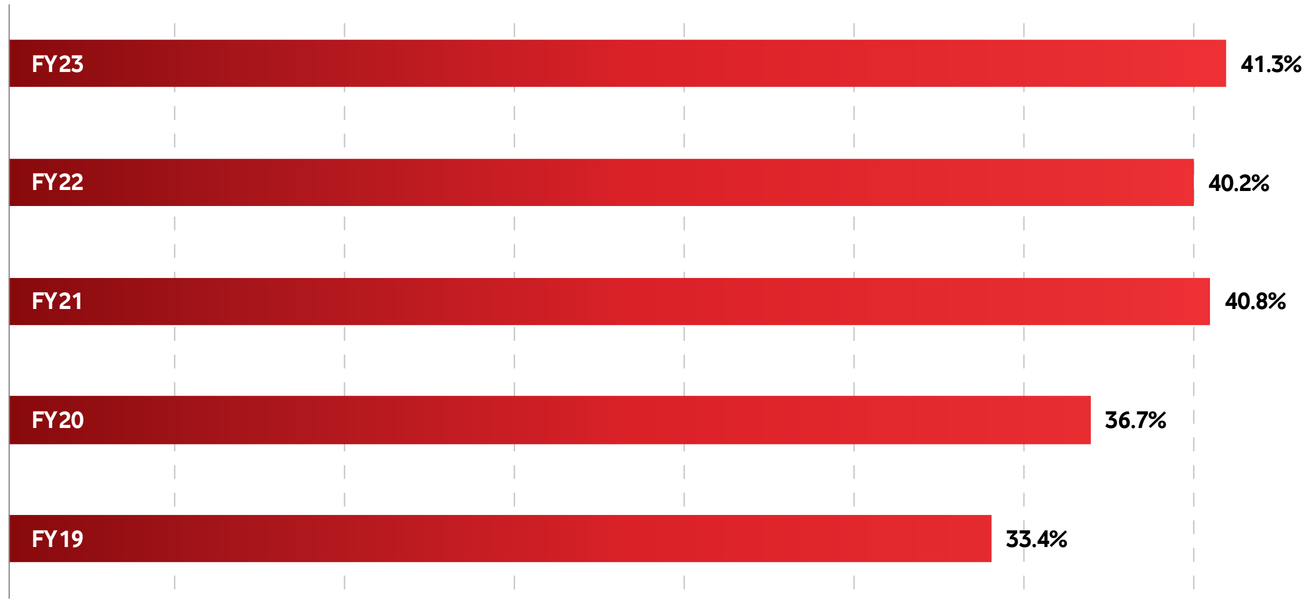
All of the reported numbers are rounded to the nearest millions

EBITDA (QR m)



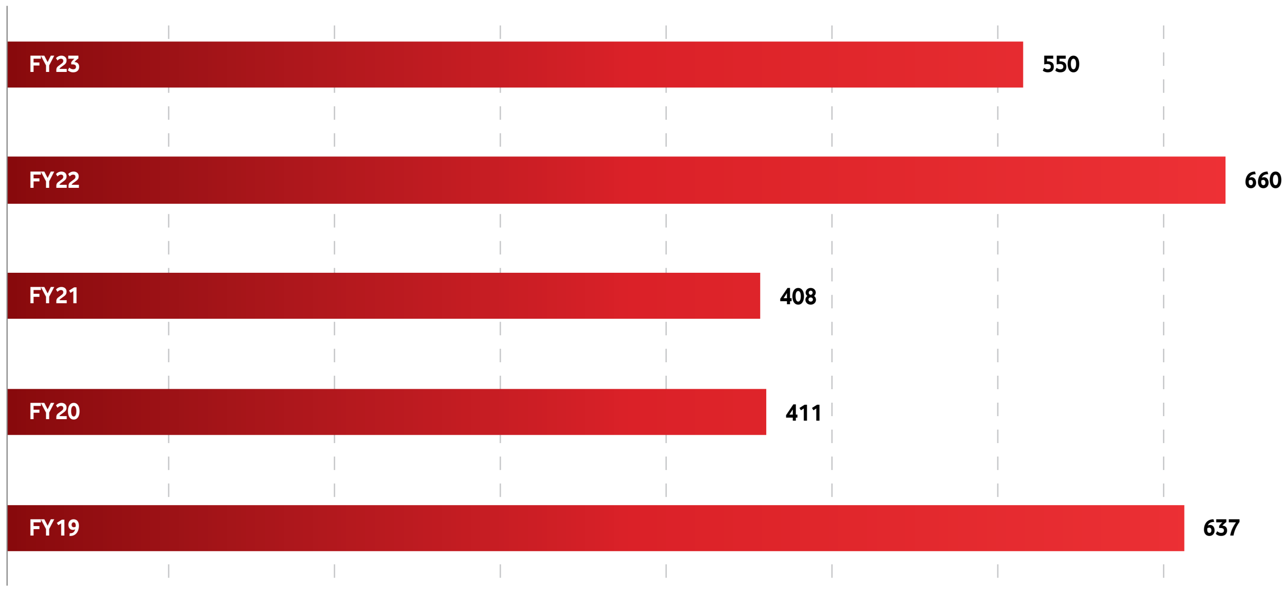
All of the reported numbers are rounded to the nearest millions

EBITDA Margin (%)



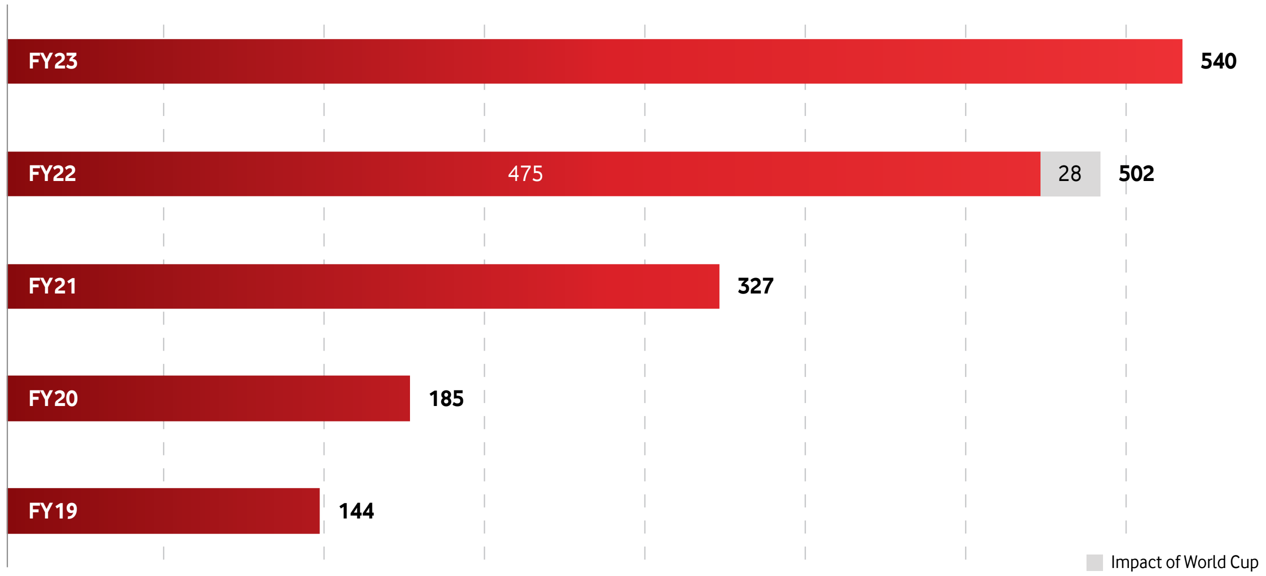
All of the reported numbers are rounded to the nearest millions

Capital Expenditure (QR m)



All of the reported numbers are rounded to the nearest millions

Net Profit (QR m)



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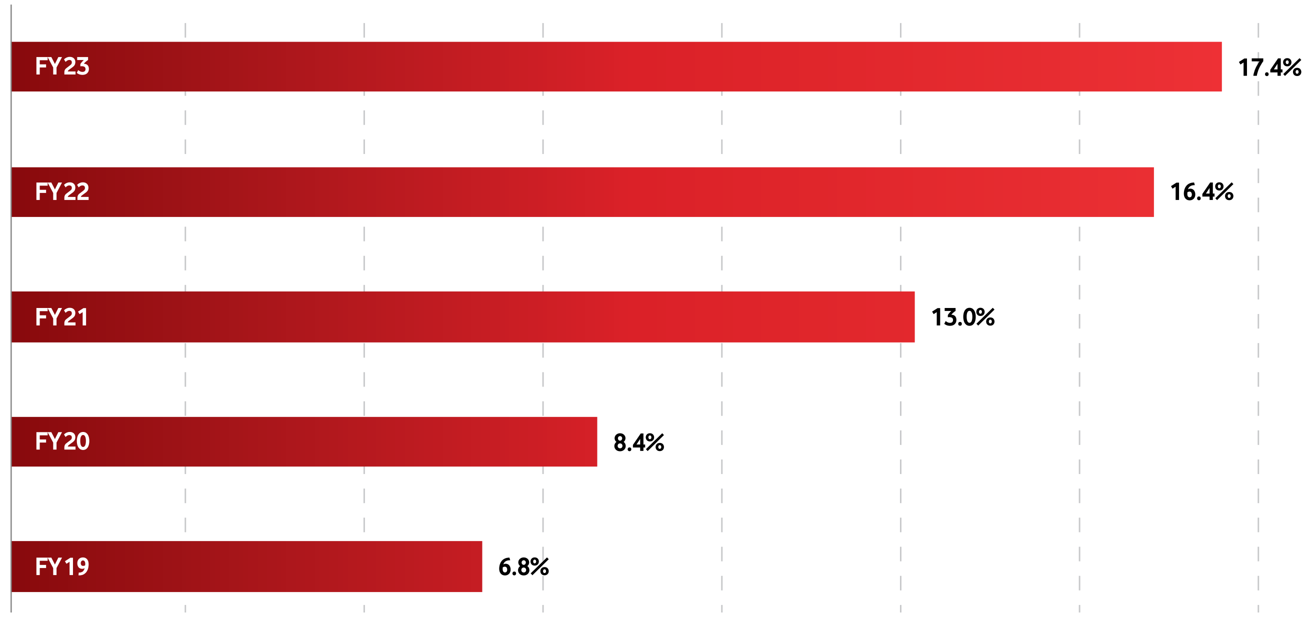
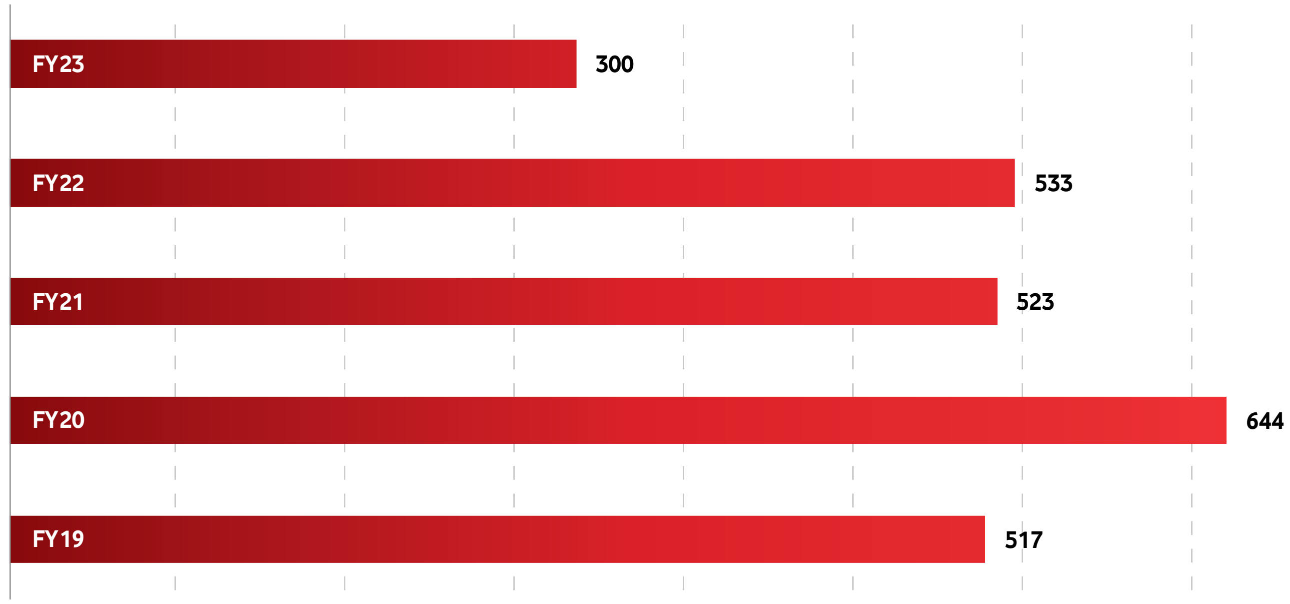
All of the reported numbers are rounded to the nearest millions

Net Profit Margin (%)

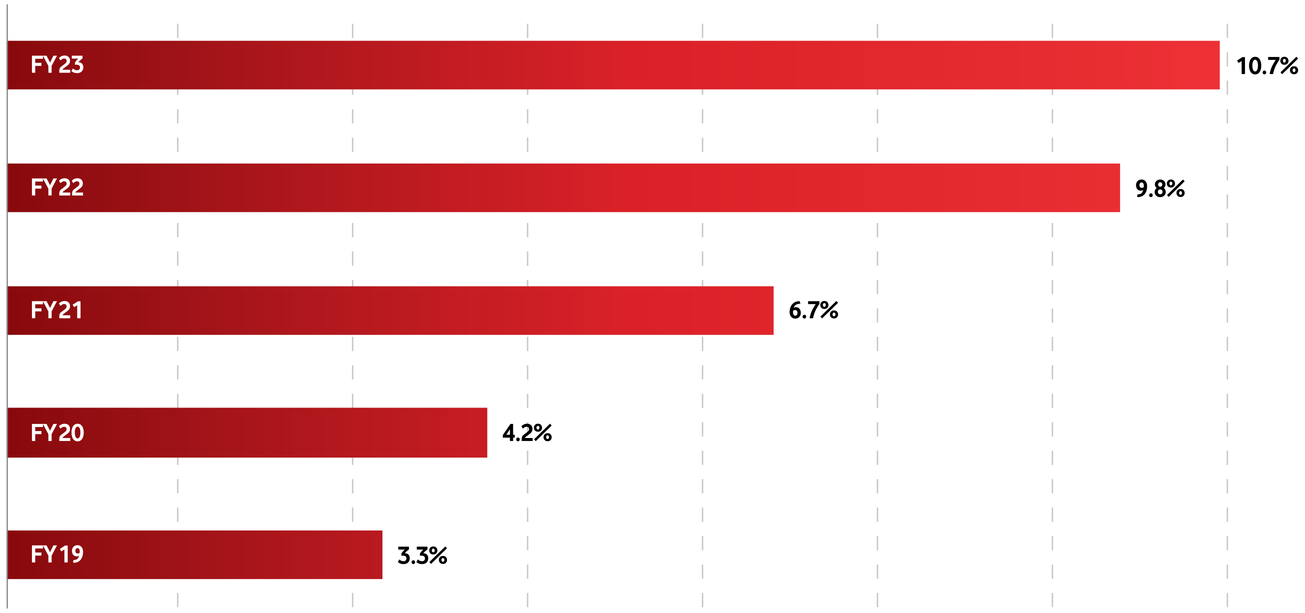


All of the reported numbers are rounded to the nearest millions

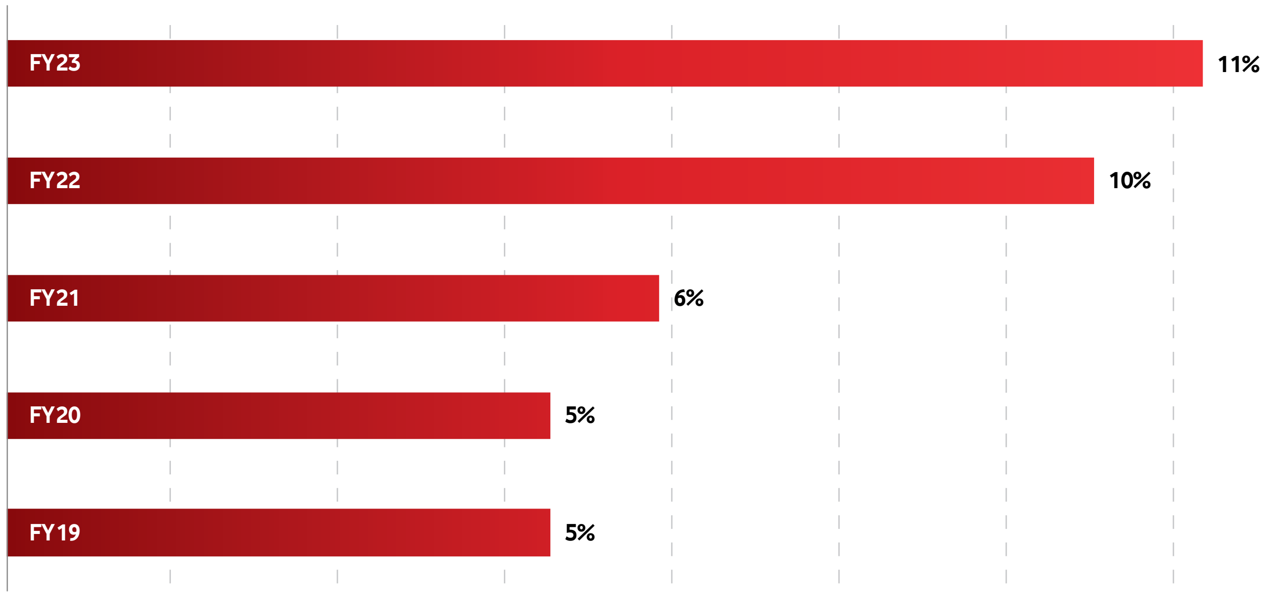
Net Financing Position (QR m)



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

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Independent auditors' report

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

Report on the Audit of the Consolidated Financial Statements

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 2023, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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

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Independent auditors' report (continued)

Vodafone Qatar P.Q.S.C

The key audit matter (continued)

Revenue recognition and related IT systems

See Note 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 3,110,819 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 Accounting Standards.

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 Accounting Standards, 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 continue 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 independence, 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 and Regulatory 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:

I) We have obtained all the information and explanations we considered necessary for the purposes of our audit.

II) The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.

III) 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.

IV) Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.

V) 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 2023..

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

24 January 2024
Doha
State of Qatar

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2023

	Notes	2023	2022
		QR'000	QR'000
Revenues	5	**3,110,819**	3,065,861
Interconnection and other direct expenses	6	**(1,052,955)**	(1,024,660)
Network and other operational expenses	7	**(464,951)**	(495,474)
Employee salaries and benefits		**(283,342)**	(268,897)
Depreciation of property, plant and equipment	12	**(326,877)**	(339,782)
Amortisation of intangible assets	13	**(191,462)**	(191,459)
Depreciation of right-of-use assets	14	**(112,164)**	(103,740)
Expected credit losses	15	**(23,696)**	(43,245)
Finance costs	21	**(42,396)**	(29,075)
Other financing costs	8	**(35,206)**	(19,270)
Other income	9	**12,903**	6,228
Profit before tax related fees		**590,673**	556,487
Tax related fees	10	**(50,629)**	(54,107)
Profit for the year		**540,044**	502,380
Basic and diluted earnings per share (in QR per share)	11	**0.128**	0.119

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	QR'000	QR'000
Profit for the year	**540,044**	502,380
Other comprehensive income	**-**	-
Total comprehensive income for the year	**540,044**	502,380

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

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

Vodafone Qatar
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Consolidated Financial Statements

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at year ended 31 December 2023

	Notes	2023	2022
		QR'000	QR'000
Non-current assets			
Property, plant and equipment	12	**1,934,465**	1,884,890
Intangible assets	13	**4,037,387**	4,049,709
Right-of-use assets	14	**428,599**	429,538
Trade and other receivables	15	**266,958**	297,930
Total non-current assets		**6,667,409**	6,662,067
Current assets			
Inventories	16	**33,928**	38,222
Contract costs	17	**13,030**	17,271
Trade and other receivables	15	**443,974**	517,431
Cash and bank balances	18	**129,785**	186,770
Total current assets		**620,717**	759,694
Total assets		**7,288,126**	7,421,761
Equity			
Share capital	19	**4,227,000**	4,227,000
Legal reserve	20	**157,787**	126,369
Retained earnings		**551,709**	479,284
Total equity		**4,936,496**	4,832,653
Non-current liabilities			
Loans and borrowings	21	**325,000**	512,117
Provisions	22	**110,433**	102,065
Lease liabilities	14	**315,251**	315,181
Total non-current liabilities		**750,684**	929,363
Current liabilities			
Loans and borrowings	21	**104,868**	207,289
Lease liabilities	14	**156,144**	141,209
Trade and other payables	23	**1,339,934**	1,311,247
Total current liabilities		**1,600,946**	1,659,745
Total liabilities		**2,351,630**	2,589,108
Total equity and liabilities		**7,288,126**	7,421,761

These consolidated financial statements were approved by the Board of Directors on 24 January 2024 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 32 form an integral part of these consolidated financial statements.

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Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital	Legal reserve	Retained earnings: Distributable profits	Retained earnings: Accumulated losses	Retained earnings: Total	Total equity
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
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 20)	-	-	589,137	(589,137)	-	-
Transfer to legal reserve (note 20)	-	29,456	(29,456)	-	(29,456)	-
Dividend for the year ended 31 December 2021	-	-	(253,620)	-	(253,620)	(253,620)
Transfer to social and sports fund (note 20.1)	-	-	(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
Balance as at 1 January 2023	**4,227,000**	**126,369**	**902,351**	**(423,067)**	**479,284**	**4,832,653**
Profit for the year	-	-	-	540,044	540,044	540,044
Total comprehensive income for the year	-	-	-	540,044	540,044	540,044
Transfer to distributable profits (note 20)	-	-	628,361	(628,361)	-	-
Transfer to legal reserve (note 20)	-	31,418	(31,418)	-	(31,418)	-
Dividend for the year ended 31 December 2022 (note 30)	-	-	(422,700)	-	(422,700)	(422,700)
Transfer to social and sports fund (note 20.1)	-	-	(13,501)	-	(13,501)	(13,501)
Balance as at 31 December 2023	**4,227,000**	**157,787**	**1,063,093**	**(511,384)**	**551,709**	**4,936,496**

This statement has been prepared by the Group and stamped by the Auditor for identification purposes only.
The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

Vodafone Qatar
Annual Report 2023

Consolidated Financial Statements

Vodafone Qatar P.Q.S.C

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023	2022
		QR'000	QR'000
Operating activities			
Profit before tax related fees		**590,673**	556,487
Adjustments for:			
Depreciation of property, plant and equipment	12	**326,877**	339,782
Amortisation of intangible assets	13	**191,462**	191,459
Depreciation of right-of-use assets	14	**112,164**	103,740
Provision for employees' end of service benefit	22.1	**14,651**	13,088
Expected credit losses	15	**23,696**	43,245
Finance costs		**42,396**	29,075
Other financing costs	8	**35,206**	19,270
Other income	9	**(12,903)**	(6,228)
Change in operating assets and liabilities			
Decrease / (increase) in inventories		**4,294**	(3,494)
Decrease / (increase) in contract costs		**4,241**	(8,322)
Decrease / (increase) in trade and other receivables		**112,053**	(360,263)
(Decrease) / increase in provisions		**(9,273)**	3,333
(Decrease) / increase in trade and other payables		**(68,110)**	198,085
Cash generated from operations		**1,367,427**	1,119,257
Tax related fees paid		**(56,478)**	(32,824)
Finance costs paid		**(41,934)**	(27,063)
Other income received		**1,245**	554
Net cash flows from operating activities		**1,270,260**	1,059,924
Investing activities			
Purchase of property, plant and equipment	12	**(376,433)**	(587,134)
Purchase of intangible assets	18.2	**(105,705)**	(104,380)
Acquisition of a subsidiary, net of cash acquired	25	**(3,584)**	-
Advance paid for indefeasible right of use		**(19,651)**	(19,769)
Net cash flows used in investing activities		**(505,373)**	(711,283)
Financing activities			
Proceeds from loans and borrowings		**450,000**	310,000
Repayment of loans and borrowings		**(740,000)**	(305,000)
Dividend paid	23.2	**(419,541)**	(250,493)
Payment of lease liabilities	14	**(112,331)**	(105,886)
Movement in restricted bank accounts		**(3,159)**	(3,127)
Net cash flows used in financing activities		**(825,031)**	(354,506)
Net decrease in cash and cash equivalents		**(60,144)**	(5,865)
Cash and cash equivalents at the beginning of the year		**164,678**	170,543
Cash and cash equivalents at the end of the year	18	**104,534**	164,678

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

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

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

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

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	The Company shareholding percentage as at 31 December 2023	2022
Infinity Solutions LLC	Qatar	Operational and administrative services	100%	100%
Infinity Payment Solutions W.L.L	Qatar	Electronic payment services	100%	100%
Allied Advertising Group W.L.L (i)	Qatar	Advertising and sales promotion	100%	-
Infinity Fintech Ventures L.L.C (ii)	Qatar	Investment company	100%	-
Infinity Global Services L.L.C (ii)	Qatar	Investment company	100%	-

(i) Effective from 23 August 2023, the Group have gained control over Allied Advertising Group W.L.L (the 'acquiree') by acquiring 100% of the shares (note 25). The acquiree is a company registered with Qatar Commercial Law No. 11 of 2015 as a company with limited liability, and manages the 'MyBook' digital platform (note 25).

(ii) During the year, the Company incorporated two Special purpose fully owned subsidiaries, Infinity Fintech Ventures L.L.C, and Infinity Global Services L.L.C under Qatar Financial Centre "QFC". The authorised share capital of these subsidiaries is QR 10,000 each. These subsidiaries have not yet commenced the operation.

2 BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards 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 Accounting Standards requires management to make judgements and 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. The Group's judgments and critical accounting estimates see "Critical accounting judgments and key sources of estimation uncertainty" under note 28 of these consolidated financial statements. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management. Revisions to accounting estimates are recognised prospectively.

3 MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

In addition, the Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 29.

The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in these consolidated financial statements. Management reviewed the accounting policies and made updates to the information disclosed in these consolidated financial statements.

Refer note 29 for application of new and revised International Financial Reporting Standards (IFRS) these Consolidated financial statements.

Basis of consolidation

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

a. Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. Purchase consideration is measured as the aggregate of the fair value, at the date of exchange, of the assets given, equity instruments issued, and liabilities incurred or assumed. The acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair value at the acquisition date. Acquisition-related costs are recognised in the consolidated statement of income as incurred.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchases is recognized in consolidated statement of income immediately.

b. Subsidiaries

Subsidiaries are all entities over which the Company has control. Control is achieved when they Company:

> has power over the investee;

> is exposed to, or has rights to, variable returns from its involvement with the investee; and

> has the ability to use its power to affect returns.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

c. Changes in ownership interest

When the Company 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.

d. Transactions eliminated on consolidation

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 Company.

e Non-controlling interest ("NCI")

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, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

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

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 and 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 is 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 average customer retention 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases – as a lessee (continued)

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.

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.

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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. However the Company's subsidiaries are subject to income tax rate of 10% of the net profit in accordance with the Qatar financial centre and Qatar income tax law, (up to the effective ultimate non – Qatari shareholding in the subsidiary).

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

a. Recognition and measurement

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 amortisation 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, 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

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).

Research and development

Expenditure on research activities is recognised in the consolidated statement of income.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the consolidated statement of income as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income.

c. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives, and is generally recognised in the consolidated statement of income.

The estimated useful lives for current and comparative period are as follows:

License mobile	60 years
License fixed line	25 years
Software	3-5 year
Indefeasible right to use	15-20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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.

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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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

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-months 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-months ECL. The Group considers bank balances and term deposit receipts to have a low risk level when their credit 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.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

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.

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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.

Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting events are disclosed in the consolidated financial statements when material.

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's total costs, assets and liabilities have not been identified to any of the operating segments as the majority of the total costs, operating assets and liabilities are fully integrated between consumer and enterprise segments. The Group believes that it is not practical to segregate and provide segment allocation relating to total costs, assets and liabilities between operating segments.

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:

	2023			2022		
	Consumer	**Enterprise & others**	**Total**	Consumer	Enterprise & others	Total
		QR'000			QR'000	
Segment revenue						
Timing of revenue recognition:						
Over time	**1,595,228**	**1,245,955**	**2,841,183**	1,648,504	1,248,901	2,897,405
Point in time	**-**	**269,636**	**269,636**	-	168,456	168,456
	1,595,228	**1,515,591**	**3,110,819**	1,648,504	1,417,357	3,065,861
Unallocated costs						
Interconnection and other direct expenses			**(1,052,955)**			(1,024,660)
Network and other operational expenses			**(464,951)**			(495,474)
Employee salaries and benefits			**(283,342)**			(268,897)
Depreciation and amortisation			**(630,503)**			(634,981)
Expected credit losses			**(23,696)**			(43,245)
Finance costs			**(42,396)**			(29,075)
Other financing costs			**(35,206)**			(19,270)
Other income			**12,903**			6,228
Profit before tax related fees			**590,673**			556,487
Tax related fees			**(50,629)**			(54,107)
Profit for the year			**540,044**			502,380

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5 REVENUES

	31 December 2023	31 December 2022
	QR'000	QR'000
Revenue from post-paid mobile services	**1,296,079**	1,302,054
Revenue from broadband, roaming, wholesale and managed services	**948,111**	718,845
Revenue from pre-paid mobile services	**519,861**	596,022
Sale of equipment, related services and accessories	**346,768**	448,940
	3,110,819	3,065,861

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:

	2023	2022
	QR'000	QR'000
Disaggregation of revenue – over time		
Post-paid mobile services	**1,296,079**	1,302,054
Pre-paid mobile services	**519,861**	596,022
Revenue from broadband, roaming, wholesale and managed services	**946,866**	718,795
Sale of equipment, related services and accessories	**78,377**	280,534
	2,841,183	2,897,405
Disaggregation of revenue – at a point in time		
Sale of equipment, related services and accessories	**268,391**	168,406
Revenue from broadband, roaming, wholesale and managed services	**1,245**	50
	269,636	168,456
Total revenue	**3,110,819**	3,065,861

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

The amount of revenue recognised in the year ended 31 December 2023 from performance obligations satisfied (or partially satisfied) in previous year is QR 100.4 million (2022: QR 122.4 million).

6 INTERCONNECTION AND OTHER DIRECT EXPENSES

	2023	2022
	QR'000	QR'000
Interconnection, managed services and roaming costs	**504,596**	366,789
Equipment and other direct costs	**341,274**	430,639
Commissions and dealers costs	**143,810**	162,902
Regulatory costs	**63,275**	64,330
	1,052,955	1,024,660

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7 NETWORK AND OTHER OPERATIONAL EXPENSES

	2023	2022
	QR'000	QR'000
Other operational and network expenses [(i)]	**435,011**	457,744
Leased lines, capacity, and short-term leases	**29,940**	37,730
	464,951	495,474

(i) This includes auditor's remuneration of audit of financial statements related fees for an amount of QR 0.44 million (2022: QR 0.38 million) and services other than audit for an amount of QR 0.33 million (2022: QR 0.29 million).

8 OTHER FINANCING COSTS

	2023	2022
	QR'000	QR'000
Interest expense on lease liabilities (note 14)	**20,832**	13,033
Unwinding of asset retirement obligations (note 22.2)	**2,990**	2,566
Unwinding of discounted portion of liability	**5,444**	-
Others	**5,940**	3,671
	35,206	19,270

9 OTHER INCOME

	2023	2022
	QR'000	QR'000
Financing income (note 9.1)	**6,939**	5,346
Profit from Mudaraba	**1,245**	554
Others	**4,719**	328
	12,903	6,228

9.1 Financing income is recognized on long term receivables that have significant financing component at the rate mentioned in the agreement with the customer.

10 TAX RELATED FEES

	2023	2022
	QR'000	QR'000
Industry fees (note 10.1)	**50,501**	53,923
Current income tax	**128**	184
	50,629	54,107

10.1 In accordance with its operating licenses for Public Telecommunications Networks and Services granted in Qatar by Communications Regulatory Authority (CRA), the Company is liable to pay to the CRA an annual industry fee which is calculated at 12.5% of adjusted net profit from regulated activities, which is accounted for under IAS 12.

11 BASIC AND DILUTED EARNINGS PER SHARE

	2023	2022
	QR'000	QR'000
Profit for the year (QR '000)	**540,044**	502,380
Weighted average number of ordinary shares (in thousands)	**4,227,000**	4,227,000
Basic and diluted earnings per share (QR)	**0.128**	0.119

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

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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 2022	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
Additions	7,348	1,917	1,337	365,831	376,433
Acquisition through business combinations (note 25)	-	19	-	-	19
Transfers	230,671	8,644	-	(239,315)	-
Write offs	(487,744)	(537)	-	-	(488,281)
At 31 December 2023	**3,754,716**	**332,056**	**2,501**	**298,497**	**4,387,770**
Accumulated depreciation:					
At 1 January 2022	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
Charge for the year	305,079	21,329	469	-	326,877
Write offs	(487,744)	(537)	-	-	(488,281)
At 31 December 2023	**2,181,028**	**271,529**	**748**	**-**	**2,453,305**
Net book value:					
At 31 December 2023	**1,573,688**	**60,527**	**1,753**	**298,497**	**1,934,465**
At 31 December 2022	1,640,748	71,276	885	171,981	1,884,890

13 INTANGIBLE ASSETS

	License	Software	Indefeasible right to use	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 January 2022	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
Additions	-	173,739	-	173,739
Acquisition through business combination (note 25)	-	5,401	-	5,401
Write offs	-	(1,111,437)	(26)	(1,111,463)
At 31 December 2023	7,726,000	474,757	61,507	8,262,264
Accumulated amortisation:				
At 1 January 2022	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
Charge for the year	84,093	101,441	5,928	191,462
Write offs	-	(1,111,437)	(26)	(1,111,463)
At 31 December 2023	3,997,136	193,437	34,304	4,224,877
Net book value:				
At 31 December 2023	3,728,864	281,320	27,203	4,037,387
At 31 December 2022	3,812,957	203,621	33,131	4,049,709

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 million (2022: QR 19.8 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.

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

	2023 QR'000	2022 QR'000
Balance at beginning of the year	**429,538**	291,185
Additions to right-of-use assets	**115,332**	68,114
Reassessment of lease term	**-**	173,979
Termination of leases	**(4,107)**	-
Depreciation charge for the year	**(112,164)**	(103,740)
Balance at end of the year	**428,599**	429,538

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

	2023 QR'000	2022 QR'000
Exchange and network assets	**278,780**	282,444
Buildings/ offices	**97,148**	106,604
Duct access	**52,671**	40,490
Total right-of-use assets	**428,599**	429,538

Below is the movement in lease liabilities:

	2023 QR'000	2022 QR'000
Balance at beginning of the year	**456,390**	311,972
New leases added during the year	**115,332**	68,114
Interest expense for the year	**20,832**	13,033
Reassessment of lease term	**-**	173,979
Termination of leases	**(4,276)**	-
Offsetting of balances	**(4,552)**	(4,822)
Paid during the year	**(112,331)**	(105,886)
Balance at end of the year	**471,395**	456,390

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Presented in consolidated statement of financial position as:

Non-current lease liabilities	**315,251**	315,181
Current lease liabilities	**156,144**	141,209
	471,395	456,390

15 TRADE AND OTHER RECEIVABLES

	2023 QR'000	2022 QR'000
Non-current assets:		
Trade receivables (note 15.1)	**197,285**	235,346
Prepayments	**30,253**	42,815
Advances for indefeasible right of use	**39,420**	19,769
	266,958	297,930
Current assets:		
Trade receivables – net (note 15.2)	**343,234**	440,758
Contract assets (note 15.3)	**49,219**	34,898
Prepayments	**29,625**	26,733
Due from related parties (note 24)	**16,428**	12,664
Other receivables– net (note 15.2)	**5,468**	2,378
	443,974	517,431

15.1 Trade receivables include financing income receivable amounting to QR 6.0 million (2022: QR 5.3 million).

15.2 Trade receivables and other receivables are net of the expected credit losses (ECL) amounting to QR 126.3 million (2022: QR 158.6 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 lifetime 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.

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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 and other receivables based on the Group's provision matrix.

31 December 2023	**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%**	
lifetime expected credit loss	**320,433**	**113,339**	**58,836**	**46,244**	**133,464**	**672,316**
Loss allowance	**-**	**10,947**	**10,427**	**12,175**	**92,780**	**126,329**

31 December 2022	Note 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%	
lifetime expected credit loss	241,928	317,041	77,102	47,488	153,507	837,066
Loss allowance	-	11,739	11,730	11,308	123,807	158,584

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 expected credit loss on government related trade receivables is capped at 5.2%.

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

	2023	2022
	QR'000	QR'000
Balance at beginning of the year	**158,584**	111,185
Expected credit loss recognised during the year	**23,696**	43,245
Acquired through business combination	**118**	-
Collection from previously written off balances	**4,359**	4,154
Write offs during the year	**(60,428)**	-
Balance at end of the year	**126,329**	158,584

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 26.

15.3 Amounts relating to contract assets are balances earned but not yet billed to the customers. Any amount previously recognized 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 recognized 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 recognized on any contract asset in the reporting period (2022: QR Nil). The management of the Group always measures 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.

16 INVENTORIES

	2023	2022
	QR'000	QR'000
Handsets	**25,374**	27,938
Scratch cards and accessories	**8,554**	10,284
	33,928	38,222

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

	2023	2022
	QR'000	QR'000
Balance at beginning of the year	**6,277**	4,570
Amounts charged to consolidated statement of income	**1,274**	1,789
Write offs during the year	**(369)**	(82)
Balance at end of the year	**7,182**	6,277

17 CONTRACT COSTS

Contract costs represent incremental customers acquisition cost amounting to QR 10.2 million (2022: QR 7 million) , incurred by the Group which are amortised over the customers' average retention period, and cost of unfulfilled performance obligation amount to QR 2.8 million (2022: QR 10.2 million) which will be recognized in the consolidated statement of income upon completion as the respective performance obligation.

18 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:

	2023	2022
	QR'000	QR'000
Cash at bank	**129,684**	186,680
Cash on hand	**101**	90
Total cash and bank balances	**129,785**	186,770
Less: Balance with restricted bank accounts – note 18.1	**(25,251)**	(22,092)
Cash and cash equivalents	**104,534**	164,678

18.1 This comprises funds maintained for uncollected shareholder dividends as per note 23.2.

18.2 Purchase of intangible assets amounting to QR 105.7 million (2022: QR 104.4 million), as disclosed in consolidated statement of cash flows, includes a payment of QR 38 million (2022: QR 32 million) which is a partial payment for asset capitalized during the year amounting to QR 105.2 million.

19 SHARE CAPITAL

	31 December 2023		31 December 2022	
	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.

20 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.

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

	2023		2022	
	QR'000	QR'000	QR'000	QR'000
Balance at beginning of the year		**902,351**		608,850
Net profit of the Company	**544,268**		505,044	
Amortisation of license fee	**84,093**		84,093	
Transfer to distributable profits		**628,361**		589,137
Transfer to legal reserve		**(31,418)**		(29,456)
Dividend for the year 2022/2021		**(422,700)**		(253,620)
Contribution to Social and Sports Fund (note 20.1)		**(13,501)**		(12,560)
Balance at year end		**1,063,093**		902,351

20.1 Social and Sports Fund

According to Qatar 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 an appropriation of profit directly in the consolidated statement of changes in equity.

21 LOANS AND BORROWINGS

	2023	2022
	QR'000	QR'000
Loans and borrowings	**429,868**	719,406
Presented in the consolidated statement of financial position as:		
Non-current liabilities	**325,000**	512,117
Current liabilities	**104,868**	207,289
	429,868	719,406

The Group secured a rollover financing facility of QR 1,211 million at an agreed profit rate of QMRL less 25 Basis Points (BPs). During the year, an amount of QR 450 million was withdrawn (2022 QR 310 million). As of the reporting date, an amount of QR 327.2 million was outstanding (2022: QR 411.9 million). Finance cost of QR 29.3 million (2022: QR 12.3 million) was incurred during the year on this financing facility and charged to the consolidated statement of income. The facility is secured over assets agreement and receivable asset agreement with carrying amount of QR 50 million.

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

The Group also entered into a secured Facility Agreement with a local bank for QR 820 million on 29 October 2019 (the "Facility") at an agreed profit 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. As of the reporting date, an amount of QR 102.6 million was outstanding (2022: QR 307.5 million). The facility is being paid in 16 equal quarterly installments of QR 51.25 million each starting February 2021. Finance cost of QR 13.1 million (2022: QR 16.8 million) was incurred during the year on the facility and charged to consolidated statement of income. The facility is secured against general assignment agreement with carrying amount of QR 30 million.

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

Information about the Group's exposure to interest rate, and liquidity risks is included in note 26.

22 PROVISIONS

	2023	2022
	QR'000	QR'000
Employees' end of service benefits (note 22.1)	**62,099**	55,268
Asset retirement obligations (note 22.2)	**48,334**	42,935
Other provisions	**-**	3,862
	110,433	102,065

22.1 Employees' end of service benefits

	2023	2022
	QR'000	QR'000
Balance at beginning of the year	**55,268**	49,453
Charge for the year	**14,651**	13,088
Acquired through business combination (note 25)	**180**	-
Payments during the year	**(8,000)**	(7,273)
Balance at end of the year	**62,099**	55,268

Management has classified the obligation within non-current liabilities in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefits obligation within 12 months from the reporting date.

22.2 Asset retirement obligations

	2023	2022
	QR'000	QR'000
Balance at beginning of the year	**42,935**	33,625
Addition to the provision during the year	**2,409**	6,744
Unwinding of discount	**2,990**	2,566
	48,334	42,935

23 TRADE AND OTHER PAYABLES

	2023	2022
	QR'000	QR'000
Trade payables	**579,577**	510,367
Accruals	**499,465**	518,143
Contract liabilities (note 23.1)	**100,413**	122,354
Regulatory and industry fee	**99,590**	106,096
Dividend payable (note 23.2)	**25,251**	22,092
Payable to social and sports fund (note 20.1)	**13,501**	12,560
Due to related parties (note 24)	**12,639**	7,215
Other payables	**9,498**	12,420
	1,339,934	1,311,247

23.1 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.

23 TRADE AND OTHER PAYABLES (continued)

23.2 Dividend payable

	2023 QR'000	2022 QR'000
Balance at beginning of the year	**22,092**	18,965
Dividend declared for the year ended 31 December 2022/2021(note 30)	**422,700**	253,620
Dividend payments during the year	**(419,541)**	(250,493)
Balance payable at year end	**25,251**	22,092

24 RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

	2023 QR'000	2022 QR'000
Sales of goods and services		
Parent entity	**14,479**	10,775
Other related parties	**68,197**	23,684
	82,676	34,459
Purchases of goods and services		
Other related parties	**109,437**	80,883

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:

	2023 QR'000	2022 QR'000
Due from related parties:		
Other related parties	**11,232**	7,371
Parent entity	**5,196**	5,293
	16,428	12,664
Due to related parties:		
Other related party	**12,639**	7,215

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest.

6

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:

	2023 QR'000	2022 QR'000
Salaries and short-term benefits	**43,140**	41,461
Employees' end of service benefits	**1,646**	1,123
	44,786	42,584

25 ACQUISITION OF A SUBSIDIARY

Acquisition of Allied Advertising Group W.L.L

The Group through its subsidiary company, Infinity Solutions L.L.C., acquired 100% of the shares of Allied Advertising Group W.L.L, ("Acquiree") on 23 August 2023 ("date of acquisition") under Share Purchase Agreement dated 23 August 2023.

Allied Advertising Group W.L.L. has contributed QR 1.2 million in revenue and QR 0.14 million in profit to the Group since the date of acquisition, had the acquisition taken place on 1 January 2023, an additional QR 1.6 million in revenue and QR 0.2 million in profit would have been reported in the Group's consolidated statement of income.

The Group incurred acquisition-related costs of QR 85 thousand. These costs have been included in Network and other operational expenses.

In connection with the acquisition of Allied Advertising Group W.L.L on 23 August 2023, the Company performed a purchase price allocation exercise, to determine the fair value of identifiable assets acquired and liabilities assumed as of the acquisition date. This allocation included the recognition and measurement of an intangible asset in the consolidated statements of the Group.

The fair value of intangible assets acquired was determined using Level 2 inputs as defined in IFRS 13. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The primary valuation approach employed to ascertain the fair value of the acquired intangible assets "MyBook application" involves considering both the development cost of a recent online application with similar features and characteristics, as well as the transaction price paid for a comparable asset held by an investee.

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25 ACQUISITION OF A SUBSIDIARY (continued)

Acquisition of Allied Advertising Group W.L.L (continued)

The fair values of the identifiable assets and liabilities of Allied Advertising Group W.L.L., at the date of acquisition were:

	QR'000
Assets	
Property and equipment (Note 12)	**19**
Intangible assets [(i)] (Note 13)	**5,401**
Trade and other receivables	**427**
Cash and cash equivalent	**416**
Total Assets	**6,263**
Liabilities	
Employees' end of service benefit (Note 22.1)	**180**
Trade and other Payable	**1,083**
Total liabilities	**1,263**
Total identifiable net assets at fair value	**5,000**
Goodwill arising on acquisition	**-**
Purchase consideration transferred	**5,000**
Analysis of cash flows on acquisition	**QR'000**
Cash and bank balances acquired with the subsidiary	**416**
Cash paid [(ii)]	**(4,000)**
Net cash flows on acquisition	**(3,584)**

(i) As part of fair value exercise, the Group have allocated the excess of the consideration transferred and the net amounts of the identifiable assets acquired, and liabilities assumed as at the acquisition-date, to the fair value of intangible assets. The Group have allocated an amount of QR 4.4 million in the intangible assets in statement of financial position, the allocated amount will be amortized in accordance with the Group estimate of the useful life of intangible assets, over 5 years.

(ii) This represents consideration paid of QR 4 million and deferred consideration of QR 1 million resulting in a total purchase consideration of QR 5 million. The deferred consideration is payable within six months from the date of acquisition under Share Purchase Agreement dated 23 August 2023.

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:

	2023	2022
	QR'000	QR'000
Loans and borrowings	**429,868**	719,406
Cash and bank balances	**(129,785)**	(186,770)
Net debt	**300,083**	532,636
Total equity	**4,936,496**	4,832,653
Gearing ratio	**6.08%**	11.02%

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

Material accounting policies

Details of material 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.

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For the year ended 31 December 2023

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Categories of financial instruments

	2023	2022
	QR'000	QR'000
Financial assets at amortised cost:		
Cash and bank balances	**129,785**	186,770
Trade receivables and other receivables – net (excluding prepayments, advance for indefeasible right of use and contract assets)	**562,415**	691,146
Financial liabilities at amortised cost:		
Trade and other payables (excluding accruals and contract liabilities)	**640,466**	564,654
Loans and borrowings	**429,868**	719,406
Lease liabilities	**471,395**	456,390

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 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.

6

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 2023	Net financing cash flows	Non-cash changes*	At 31 December 2023
	QR'000	QR'000	QR'000	QR'000
Loans and borrowings	**719,406**	**(290,000)**	**462**	**429,868**
Lease liabilities	**456,390**	**(112,331)**	**127,336**	**471,395**
Dividend payable	**22,092**	**(419,541)**	**422,700**	**25,251**
Restricted bank account	**(22,092)**	**(3,159)**	**-**	**(25,251)**

	At 1 January 2022	Net 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)

*This comprises finance cost net of payment, amortisation of deferred financing costs, additional lease liability recognized, interest on lease liability 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 1.4 million (2022: QR 1.5 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 QMRL of the financing facilities, would increase or reduce the total profit of the Group for the financial year by QR 4.3 million (2022: QR 7.2 million).

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26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial Risk Management (continued)

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:

	2023	2022
	QR'000	QR'000
Enterprise customers [a]	**438,289**	578,347
Consumers	**234,027**	258,719
	672,316	837,066

Enterprise customers' trade receivables include a balance of QR 52.6 million (2022: 71.2 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.

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-months 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	
	2023	2022
	QR'000	QR'000
Bank balances	**129,684**	186,680
Trade and other receivables	**562,415**	691,146
	692,099	877,826

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 2023	**Less than 1 year**	**More than 1 year**
	QR'000	**QR'000**
Trade and other payables excluding contract liabilities	**1,239,521**	**-**
Loans and borrowings	**104,868**	**325,000**
Lease liabilities	**159,822**	**353,170**

At 31 December 2022	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding contract liabilities	1,188,893	-
Loans and borrowings	207,289	512,117
Lease liabilities (discounted)	141,209	315,181

27 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

	2023	2022
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the consolidated financial statements	**146,966**	323,357

Contingent liabilities

	2023	2022
	QR'000	QR'000
Performance bonds	**43,150**	80,692
Tender bonds	**3,463**	1,580
Credit and payment guarantee – third party indebtedness	**49,874**	48,516

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.

Other Contingent liabilities

As a consequence of an ongoing Withholding Tax (WHT) audit by the General Tax Authority (GTA) in October 2023 pertaining to the Financial Year ended 31 December 2018, the Group received an assessment order in December 2023. The Group has formally lodged an objection and submitted additional information necessary to complete the audit. This objection is currently under consideration by the GTA. Based on on-going discussions with GTA and assessment performed by external tax consultants, the management does not anticipate any material adverse financial impact on the Group.

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28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group prepares its consolidated financial statements in accordance with IFRS Accounting Standards 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 Accounting Standards, 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 material IFRS accounting policies, which is provided in note 3 to the consolidated financial statements.

Impairment reviews

IFRS Accounting Standards 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Revenue recognition

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 and residual value

The useful life used to depreciate/amortise assets relate 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 26.5% (2022: 25.4%) 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.

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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 reassessed the useful lives of its property, plant and equipment, this has resulted in reassessment and reduction of useful life of some of the old assets and consequently higher depreciation charge of QR million for the year QR 6.4 million (2022: QR 60.2 million).

Contract cost

During the year ended 31 December 2023, the Group re-evaluated its estimated Amortisation period for customer acquisition costs. The change in estimate was made in accordance with IAS 8-International Accounting Standard -Accounting Policies, Changes in Accounting Estimates and Errors.

The Group believes that this change will provide a more accurate reflection of the expected pattern of benefits to be derived from the acquired customers. Previously, the Group had estimated the amortisation period for customer acquisition costs to be the contractual lock in period. However, after a thorough review of historical data and an analysis of customer retention pattern, The Group determined that a longer amortisation period is appropriate. As a result, the estimated amortisation period for customer acquisition costs has been changed to the average customer retention period; However the Group have applied IFRS 15 -Revenue from contracts with customers- practical expedient in recognising the customer acquisition directly to the to the consolidated statement of income when the average customer retention period is less than or equal to one year, The effective date of change was from 1 October 2023.

The effect of change has resulted in an increase in the consolidated net profit of the Group by QR 3.3 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% (2022: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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 2023, the loss allowance on trade receivables would have been QR 0.52 million (2022: QR 0.5 million) higher (or lower).

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).

Discount rate on leases

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 APPLICATIONS OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

(i) New currently effective requirements

The Group has applied the following new and revised IFRS Accounting Standards that have been issued and are effective for annual periods beginning on or after 1 January 2023:

Effective date	New standards or amendments
1 January 2023	IFRS 17 Insurance Contracts Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 Definition of Accounting Estimates – Amendments to IAS 8 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
23 May 2023	International Tax Reform – Pillar Two Model Rules – Amendments to IAS 2

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

Classification of Liabilities as Current or Non-Current and Non-current liabilities with Covenants (Amendments to IAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in note 21, the Group has a secured facility agreement with a local bank for a outstanding balance of QR 327.2 million, that is subject to specific covenants. While liability is classified as non-current at 31 December 2023, a future breach of the related covenants may require the Group to repay the liability earlier.

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

A number of new standards, amendments and interpretations to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted for annual periods beginning on 1 January 2024; 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.

Effective date	New standards or amendments
1 January 2024	Non-current liabilities with Covenants – Amendments to IAS 1 Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Available to optional adoption / effective date deferred indefinitely (a)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

30 DIVIDEND

Dividend declared for year 2022

During 2023, following the approval at the Annual General Assembly held on 20 February 2023, the Company paid 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).

Proposed dividend for year 2023

The Board of Directors has proposed a cash dividend of 11% of the nominal share value amounting to QR 465 million (QR 0.11 per share with nominal value of QR 1 each). The proposed dividend is subject to approval of the shareholders during the Annual General Assembly on 20 February 2024.

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 2023			
Trade and other receivables	**510,279**	**(66,305)**	**443,974**
As at 31 December 2022			
Trade and other receivables	555,942	(38,511)	517,431

	Gross amounts	Offsetting amounts	Net amounts
	QR'000	QR'000	QR'000
Current liabilities			
As at 31 December 2023			
Trade and other payables	**1,375,936**	**(36,002)**	**1,339,934**
Lease liabilities	**186,447**	**(30,303)**	**156,144**
	1,562,383	**(66,305)**	**1,496,078**
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

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32 COMPARATIVE INFORMATION

The comparative amounts have been reclassified, where necessary, in order to confirm to the current year's presentation. Such reclassification does not affect the previously reported net profits, net assets, or equity. The reclassification are as follows:

a) Consolidated statement of income for the year ended 31 December 2022

	Previous presentation	Reclassification	Current presentation
	QR'000	QR'000	QR'000
Industry fee (i)	54,107	(54,107)	-
Tax related fees	-	54,107	54,107

(i) Pursuant to the operating licenses for Public Telecommunications Networks and Services granted by the Communications Regulatory Authority (CRA) in Qatar, the Company is required to fulfil an annual industry fee. This fee, amounting to 12.5% of the adjusted net profit from regulated activities, is accounted for in accordance with International Accounting Standard 12 (IAS 12).

b) Consolidated statement of financial position as at 31 December 2022

	Previous presentation	Reclassification	Current presentation
	QR'000	QR'000	QR'000
Contract assets	34,898	(34,898)	-
Trade and other receivables	-	34,898	34,898

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Digital Society

“The adoption of 5G technology made communication more efficient and created the basis to further innovate on services and entertainment.”

Glossary and Disclaimer

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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 2023. 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.

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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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