



VODAFONE QATAR P.Q.S.C.

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

**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2023**



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Independent auditors' report on review of interim condensed consolidated financial information

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

Introduction

We have reviewed the accompanying 30 June 2023 interim condensed consolidated financial statements of Vodafone Qatar P.Q.S.C (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the interim condensed consolidated statement of income for the six-month period ended 30 June 2023;
- the interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2023;
- the interim condensed consolidated statement of financial position as at 30 June 2023;
- the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2023;
- the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2023; and
- notes to the interim condensed consolidated financial statements.

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

Scope of Review

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

Conclusion

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

26 July 2023
Doha
State of Qatar



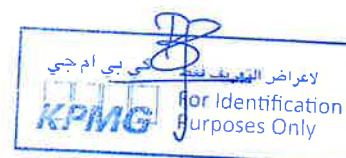

Gopal Balasubramaniam
KPMG

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the six months period ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Revenue	5	1,550,761	1,435,943
Interconnection and other direct expenses		(523,092)	(477,169)
Network and other operational expenses		(242,674)	(228,778)
Employees' salaries and benefits		(137,631)	(126,322)
Depreciation of property, plant and equipment		(165,895)	(174,483)
Amortisation of intangible assets		(93,982)	(103,485)
Depreciation of right-of-use assets		(56,372)	(50,730)
Expected credit losses		(12,979)	(13,434)
Industry fee	6	(25,840)	(24,742)
Operating profit		292,296	236,800
Finance costs		(23,354)	(13,560)
Other financing costs	7	(14,878)	(9,483)
Other income		5,778	2,586
Profit for the period		259,842	216,343
Basic and diluted earnings per share (in QR per share)	8	0.061	0.051



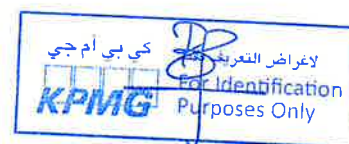
This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months period ended 30 June 2023

	Six months ended 30 June	
	2023 (Reviewed) QR'000	2022 (Reviewed) QR'000
Profit for the period	259,842	216,343
Other comprehensive income	-	-
Total comprehensive income for the period	259,842	216,343



The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	30 June 2023 (Reviewed) QR'000	31 December 2022 (Audited) QR'000
Non-current assets			
Property, plant and equipment	9	1,778,639	1,884,890
Intangible assets	10	4,088,412	4,049,709
Right-of-use assets	11	389,999	429,538
Trade and other receivables	12	249,402	297,930
Total non-current assets		6,506,452	6,662,067
Current assets			
Inventories	13	50,274	38,222
Contract assets		36,420	34,898
Contract costs		24,618	17,271
Trade and other receivables	12	430,697	482,533
Cash and bank balances	14	138,526	186,770
Total current assets		680,535	759,694
Total assets		7,186,987	7,421,761
Equity			
Share capital	15	4,227,000	4,227,000
Legal reserve	16	141,576	126,369
Retained earnings		294,723	479,284
Total equity		4,663,299	4,832,653
Non-current liabilities			
Loans and borrowings	17	560,000	512,117
Provisions	18	110,506	102,065
Lease liabilities	19	273,651	315,181
Total non-current liabilities		944,157	929,363
Current liabilities			
Loans and borrowings	17	209,057	207,289
Lease liabilities	19	152,611	141,209
Trade and other payables	20	1,217,863	1,311,247
Total current liabilities		1,579,531	1,659,745
Total liabilities		2,523,688	2,589,108
Total equity and liabilities		7,186,987	7,421,761

These interim condensed consolidated financial statements were approved by the Board of Directors on 26 July 2023 and were signed on its behalf by:

Abdulla Bin Nasser Al Misnad
Chairman

Rashid Fahad Al Naimi
Managing Director

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

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

For Identification
Purposes Only



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2023

	Share capital	Legal reserve	Retained earnings		Total equity
			Distributable profits	Accumulated losses	
	QR'000	QR'000	QR'000	QR'000	QR'000
Balance as at 1 January 2022 (Audited)	4,227,000	96,913	608,850	(336,310)	4,596,453
Profit for the period	-	-	-	216,343	216,343
Total comprehensive income for the period	-	-	-	216,343	216,343
Transfer to distributable profits (note 16)	-	-	259,132	(259,132)	-
Transfer to legal reserve (note 16)	-	12,957	(12,957)	-	-
Dividend for the year ended 31 December 2021	-	-	(253,620)	-	(253,620)
Transfer to social and sports fund	-	-	(5,409)	-	(5,409)
Balance as at 30 June 2022 (Reviewed)	4,227,000	109,870	595,996	(379,099)	4,553,767
Balance as at 1 January 2023 (Audited)	4,227,000	126,369	902,351	(423,067)	4,832,653
Profit for the period	-	-	-	259,842	259,842
Total comprehensive income for the period	-	-	-	259,842	259,842
Transfer to distributable profits (note 16)	-	-	304,145	(304,145)	-
Transfer to legal reserve (note 16)	-	15,207	(15,207)	-	-
Dividend for the year ended 31 December 2022 (note 23)	-	-	(422,700)	-	(422,700)
Transfer to social and sports fund	-	-	(6,496)	-	(6,496)
Balance as at 30 June 2023 (Reviewed)	4,227,000	141,576	762,093	(467,370)	4,663,299



The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months period ended 30 June 2023

	Notes	Six months ended 30 June	
		2023	2022
		(Reviewed) QR'000	(Reviewed) QR'000
Cash flows from operating activities			
Profit for the period		259,842	216,343
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		165,895	174,483
Amortisation of intangible assets		93,982	103,485
Depreciation of right-of-use assets		56,372	50,730
Provision for employees' end of service		8,872	7,317
Expected credit losses		12,979	13,434
Finance costs		23,354	13,560
Other financing costs		14,878	9,483
Other income		(5,778)	(2,586)
<i>Change in operating assets and liabilities</i>			
(Increase) / decrease in inventories		(12,052)	5,321
(Increase) / decrease in contract assets		(1,522)	2,742
Increase in contract costs		(7,347)	(7,130)
Decrease / (increase) in trade and other receivables		92,501	(93,244)
Decrease in trade and other payables		(217,724)	(53,208)
Increase in provisions		1,260	5,223
Cash generated from operations		485,512	445,953
Finance costs paid		(21,203)	(13,379)
Other income received		662	136
Net cash flows from operating activities		464,971	432,710
Cash flows from investing activities			
Purchase of property, plant and equipment		(59,644)	(192,670)
Purchase of intangible assets		(27,418)	(23,214)
Net cash used in investing activities		(87,062)	(215,884)
Cash flows from financing activities			
Proceeds from loans and borrowings		400,000	260,000
Repayment of loans and borrowings		(352,500)	(202,500)
Payment of lease liabilities		(56,553)	(57,913)
Dividend paid		(417,100)	(249,721)
Movement in restricted bank accounts	14.1	(5,600)	(3,899)
Net cash used in financing activities		(431,753)	(254,033)
Net decrease in cash and cash equivalents		(53,844)	(37,207)
Cash and cash equivalents at the beginning of the period		164,678	170,543
Cash and cash equivalents at the end of the period		110,834	133,336

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.





1 INCORPORATION AND PRINCIPAL ACTIVITIES

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

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

The Company is engaged in providing cellular mobile telecommunication services, fixed line and broadband services and selling related equipment and accessories. The Company is controlled by Vodafone and Qatar Foundation L.L.C, a fully owned subsidiary of Qatar Foundation for Education, Science and Community Development (a not-for-profit organization with centres and programs focused on education, research, innovation, and community development intertwine for the benefit of Qatar, and the world). The Company’s head office is located in Doha, State of Qatar and its registered address is Msheireb Downtown, Doha, State of Qatar, P.O. Box 27727.

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

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

Subsidiary companies	Location	Nature of business	Holding
Infinity Solutions L.L.C	Qatar	Operational and administrative services	100%
Infinity Payment Solutions W.L.L	Qatar	Fintech and digital innovation services	100%

2 BASIS OF PREPARATION

Statement of compliance

These interim condensed consolidated financial statements for the six months period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34).

All amounts in the interim condensed consolidated financial statements are stated in thousands of Qatari Riyals (QR’000) unless indicated otherwise. These interim condensed consolidated financial statements are presented on a condensed basis as permitted by IAS 34 and therefore do not include all disclosures that would otherwise be required in a full set of consolidated financial statements prepared in accordance with IFRS accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022. In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Use of judgements and estimates

The preparation of these interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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



2 BASIS OF PREPARATION (CONTINUED)

Financial risk management

The Group's financial risk management objectives and policies, judgments and estimates are consistent with those disclosed in the consolidated financial statements as at and for year ended 31 December 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim condensed financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

(i) New currently effective requirements

The Group has applied the following new and revised IFRS 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 interim condensed consolidated financial statements.

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

Effective for annual periods beginning on or after 1 January 2024:

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

Amendments with effective date yet to be set by IASB, but available for early adoption:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

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

4 CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgments and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.



5 REVENUE

Disaggregation of revenue

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

	Six months ended 30 June	
	2023	2022
	(Reviewed) QR'000	(Reviewed) QR'000
Revenue from pre-paid mobile services	262,387	289,388
Revenue from post-paid mobile services	653,049	639,704
Sale of equipment, related services, and accessories	175,759	205,921
Other revenue	459,566	300,930
	1,550,761	1,435,943
	Six months ended 30 June	
	2023	2022
	(Reviewed) QR'000	(Reviewed) QR'000
Disaggregation of revenue – over time		
Pre-paid and post-paid services	915,436	929,092
Sale of equipment, related services, and accessories	30,362	116,129
Other revenue	459,566	300,930
	1,405,364	1,346,151
Disaggregation of revenue – at a point in time		
Sale of equipment, related services, and accessories	145,397	89,792
	145,397	89,792
Total revenue	1,550,761	1,435,943

6 INDUSTRY FEE

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

7 OTHER FINANCING COSTS

Other financing costs include interest expense on lease liabilities amounting to QR 9.6 million (30 June 2022: QR 6.1 million), unwinding of discounted portion of asset retirement obligations QR 1.6 million (30 June 2022: QR 1 million) and certain other ancillary costs.


8 BASIC AND DILUTED EARNINGS PER SHARE

	Six months ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)
Profit for the period (QR '000)	259,842	216,343
Weighted average number of shares (in thousands)	4,227,000	4,227,000
Basic and diluted earnings per share (QR)	0.061	0.051

9 PROPERTY, PLANT AND EQUIPMENT

	30 June 2023 (Reviewed) QR'000	31 December 2022 (Audited) QR'000
Net book value at the beginning of the period / year	1,884,890	1,637,538
Additions during the period / year	59,644	587,134
Depreciation for the period / year	(165,895)	(339,782)
Net book value at the end of the period / year	1,778,639	1,884,890

9.1 The net book value of property, plant and equipment includes Asset Under Construction amounting to QR 131 million (31 December 2022 QR 172 million), which are not depreciated.

10 INTANGIBLE ASSETS

	30 June 2023 (Reviewed) QR'000	31 December 2022 (Audited) QR'000
Net book value at the beginning of the period / year	4,049,709	4,168,793
Additions during the period / year (note 10.1)	132,685	72,375
Amortisation for the period / year	(93,982)	(191,459)
Net book value at the end of the period / year	4,088,412	4,049,709

10.1 Purchase of intangible assets amounting to QR 27.4 million (30 June 2022: QR 23.2 million), as disclosed in the interim condensed consolidated statement of cash flows, excludes an amount of QR 105.3 million (30 June 2022: Nil) for assets capitalised but not yet paid during the current period.

11 RIGHT OF USE ASSETS

	30 June 2023 (Reviewed) QR'000	31 December 2022 (Audited) QR'000
Net book value at the beginning of the period / year	429,538	291,185
Re-assessment of lease term	-	173,979
New leases added during the period / year	16,833	68,114
Depreciation for the period / year	(56,372)	(103,740)
Net book value at the end of the period / year	389,999	429,538

**12 TRADE AND OTHER RECEIVABLES**

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Non-current assets:		
Trade receivables (note 12.1)	193,867	235,346
Prepayments	35,825	42,815
Advances for long term lease	19,710	19,769
	249,402	297,930
Current assets:		
Trade and other receivables – net (note 12.2)	379,661	443,136
Prepayments	29,421	26,733
Due from related parties (note 22)	21,615	12,664
	430,697	482,533

12.1 Trade receivables include interest receivable amounting to QR 3.5 million (2022: QR 5.3 million).

12.2 Trade and other receivables are net of the expected credit losses (ECL) amounting to QR 174 million (2022: QR 158.6 million). The following table shows the movement in expected credit loss that was recognised against trade and other receivables:

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at beginning of the period/year	158,584	111,185
Expected credit losses recognised during the period/year	12,979	43,245
Collections from previously written off balances during the period/year	2,428	4,154
Balance at end of the period/year	173,991	158,584

13 INVENTORIES

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Handsets	48,706	34,215
Scratch cards and accessories	6,887	10,284
Gross value	55,593	44,499
Less: Provision for stock obsolescence (note 13.1)	(5,319)	(6,277)
Written down value	50,274	38,222



13 INVENTORIES (CONTINUED)

13.1 Movement in provision for stock obsolescence is as follows:

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at beginning of the period / year	6,277	4,570
(Reversal) / charge recognised in consolidated statement of income	(958)	1,789
Write offs during the period / year	-	(82)
Balance at end of the period / year	5,319	6,277

14 CASH AND BANK BALANCES

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Cash and bank balances	138,526	186,770
Less: Balance with restricted bank accounts (note 14.1)	(27,692)	(22,092)
Cash and cash equivalents	110,834	164,678

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

15 SHARE CAPITAL

	30 June 2023		31 December 2022	
	Number	QR'000	Number	QR'000
	(Reviewed)	(Reviewed)	(Audited)	(Audited)
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.

16 LEGAL RESERVE AND DISTRIBUTABLE PROFITS

Distributable profits:

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

Legal reserve:

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


16 LEGAL RESERVE AND DISTRIBUTABLE PROFITS (CONTINUED)

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

	Six months ended 30 June			
	2023		2022	
	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000
Balance at beginning of the period		902,351		608,850
Net profit of the Company	262,099		217,086	
Amortisation of license fee	42,046		42,046	
Distributable profit	304,145		259,132	
Transfer to distributable profits		304,145		259,132
Transfer to legal reserve		(15,207)		(12,957)
Dividends declared		(422,700)		(253,620)
Transfer to social and sports fund		(6,496)		(5,409)
Balance at period end		762,093		595,996

17 LOANS AND BORROWINGS

	30 June 2023	31 December 2022
	(Reviewed) QR'000	(Audited) QR'000
Loans and borrowings	769,057	719,406

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

Non-current liabilities	560,000	512,117
Current liabilities	209,057	207,289
	769,057	719,406

The Group secured a rollover financing facility of QR 911 million on 27 May 2018 from a local bank, which has been amended in previous years to QR 1,211 million at an agreed interest rate of QMRL less 25 Basis Points (BPs). During the current period, an amount of QR 400 million was withdrawn. As of reporting date, an amount of QR 564 million was outstanding (2022: QR 411.9 million), and during the period financing cost was incurred of QR 15.7 million (30 June 2022: QR 5.29 million) on this financing facility. The facility is secured over assets agreement and receivable asset agreement.

The Group also entered into a Facility Agreement with a local bank for QR 820 million on 29 October 2019 (the "Facility") at an agreed interest rate of QMRL less 25 Basis Points (BPs). The facility of QR 820 million was availed on 12 November 2019 for a term of five years. The facility is paid in 16 equal quarterly instalments of QR 51.25 million each starting February 2021. The facility is secured against general assignment agreement. During the period interest of QR 7.7 million (30 June 2022: QR 8.26 million) was incurred on the facility.

**18 PROVISIONS**

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Employees' end of service benefits (note 18.1)	60,824	55,268
Asset retirement obligations (note 18.2)	45,820	42,935
Other provisions	3,862	3,862
	110,506	102,065

18.1 Employees' end of service benefits

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at beginning of the period / year	55,268	49,453
Charge for the period / year	8,872	13,088
Payments during the period / year	(3,316)	(7,273)
	60,824	55,268

18.2 Asset retirement obligations

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at beginning of the period / year	42,935	33,625
Addition to the provision during the period / year	1,260	6,744
Unwinding of discount during the period / year	1,625	2,566
Balance at end of the period/year	45,820	42,935

19 LEASE LIABILITIES

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at the beginning of the period / year	456,390	311,972
Re-assessment of lease term	-	173,979
New leases added during the period / year	16,833	68,114
Interest expense for the period / year	9,592	13,033
Offsetting of balances	-	(4,822)
Payments made during the period / year	(56,553)	(105,886)
Balance at the end of the period / year	426,262	456,390

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

Non-current lease liabilities	273,651	315,181
Current lease liabilities	152,611	141,209
	426,262	456,390


20 TRADE AND OTHER PAYABLES

	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Trade payables	538,590	510,367
Accruals	518,769	624,239
Contract liabilities	107,539	122,354
Dividend payable	27,692	22,092
Due to related parties (note 22)	10,522	7,215
Payable to social and sports fund	6,496	12,560
Other payables	8,255	12,420
	1,217,863	1,311,247

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

	Carrying value	
	30 June 2023	31 December 2022
	(Reviewed)	(Audited)
	QR'000	QR'000
Financial assets at amortised cost:		
Cash and bank balances	138,526	186,770
Trade and other receivables (excluding prepayments and advances)	595,143	691,146
Financial liabilities at amortised cost:		
Loans and borrowings	769,057	719,406
Trade and other payables (excluding accruals and contract liabilities)	591,555	564,654
Lease Liabilities	426,262	456,390

22 RELATED PARTY TRANSACTIONS

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

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

	Six months ended 30 June	
	2023	2022
	(Reviewed)	(Reviewed)
	QR'000	QR'000
<i>Sales of goods and services:</i>		
Parent entity	7,165	5,761
Other related parties	23,770	2,733
	30,935	8,494
<i>Purchases of goods and services:</i>		
Other related parties	36,780	15,637



22 RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions were carried out with related parties:

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
<i>Due from related parties:</i>		
Parent entity	5,303	5,293
Other related parties	<u>16,312</u>	<u>7,371</u>
	<u>21,615</u>	<u>12,664</u>
<i>Due to related parties:</i>		
Other related parties	<u>10,522</u>	<u>7,215</u>

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:

	<u>Six months ended 30 June</u>	
	<u>2023</u>	<u>2022</u>
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Salaries and short-term benefits	24,994	21,566
Employees' end of service benefits	<u>1,207</u>	<u>735</u>
	<u>26,201</u>	<u>22,301</u>

23 DIVIDENDS

On 24 January 2023, the Board of Directors proposed a cash dividend of 10% of the nominal share value amounting to QR 422.7 million (QR 0.10 per share with nominal value of QR 1 each). The proposed dividend was subsequently approved by the shareholders during the Annual General Assembly held on 20 February 2023.

24 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the consolidated financial statements	<u>187,095</u>	<u>323,357</u>

Contingent liabilities

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Performance bonds	<u>45,621</u>	<u>80,692</u>
Tender bonds	<u>2,260</u>	<u>1,580</u>
Credit and payment guarantee – third party indebtedness	<u>45,511</u>	<u>48,516</u>



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months period ended 30 June 2023

25 SEGMENT INFORMATION

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

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

	Six months ended 30 June		
	2023		2022
	Consumer	Enterprise & others (Reviewed) QR'000	Total (Reviewed) QR'000
Segment revenue			
Timing of revenue recognition:			
Over time	787,528	617,836	1,405,364
Point in time	-	145,397	145,397
	787,528	763,233	1,550,761
Unallocated costs			
Interconnection and other direct expenses		(523,092)	(477,169)
Network and other operational expenses		(242,674)	(228,778)
Employee salaries and benefits		(137,631)	(126,322)
Depreciation and amortisation expenses		(316,249)	(328,698)
Expected credit loss		(12,979)	(13,434)
Industry fee		(25,840)	(24,742)
Operating profit		292,296	236,800
Finance costs		(23,354)	(13,560)
Other financing costs		(14,878)	(9,483)
Other income		5,778	2,586
Profit for the period		259,842	216,343



25 SEGMENT INFORMATION (CONTINUED)

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

26 RECLASSIFICATIONS

The comparative amounts have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassification does not affect the previously reported net profits, net assets or equity.

27 OFFSETTING

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

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

	Gross amounts	Offsetting amounts	Net amounts
	QR'000	QR'000	QR'000
Current assets			
As at 30 June 2023 (Reviewed)			
Trade and other receivables	<u>472,733</u>	<u>(42,036)</u>	<u>430,697</u>
As at 31 December 2022 (Audited)			
Trade and other receivables	<u>521,044</u>	<u>(38,511)</u>	<u>482,533</u>
Current liabilities			
As at 30 June 2023 (Reviewed)			
Trade and other payables	<u>1,234,148</u>	<u>(16,285)</u>	<u>1,217,863</u>
Lease liabilities	<u>178,362</u>	<u>(25,751)</u>	<u>152,611</u>
	<u>1,412,510</u>	<u>(42,036)</u>	<u>1,370,474</u>
As at 31 December 2022 (Audited)			
Trade and other payables	<u>1,324,007</u>	<u>(12,760)</u>	<u>1,311,247</u>
Lease liabilities	<u>166,960</u>	<u>(25,751)</u>	<u>141,209</u>
Total	<u>1,490,967</u>	<u>(38,511)</u>	<u>1,452,456</u>