



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

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

**FOR THE SIX MONTH PERIOD ENDED  
30 JUNE 2020**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2020**

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RN: 1055/BH/FY2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

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

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Vodafone Qatar P.Q.S.C. (the "Company"), and its subsidiary (together the "Group") as of June 30, 2020 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting' as issued by International Accounting Standards Board (IASB). 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 International Accounting Standard 34 as issued by the IASB.

Doha – Qatar

28 July 2020

For Deloitte & Touche  
Qatar Branch



Walid Slim  
Partner

License No. 319

QFMA Auditor License No. 120156



INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
For the six month period ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 (Reviewed) QR'000	2019 (Reviewed) QR'000
Revenue	5	1,072,130	1,062,200
Interconnection and other direct expenses		(366,047)	(397,538)
Network, rentals and other operational expenses		(204,985)	(192,365)
Employee salaries and benefits		(111,537)	(114,418)
Depreciation of property, plant and equipment	9	(122,350)	(111,491)
Amortisation of intangible assets	10	(90,813)	(89,493)
Depreciation of right-of-use assets	11	(52,836)	(41,608)
Industry fee	6	(8,753)	(8,843)
<b>Operating profit</b>		<b>114,809</b>	<b>106,444</b>
Finance costs		(21,717)	(15,901)
Other financing costs	7	(12,930)	(14,005)
Other income		926	1,531
<b>Profit for the period</b>		<b>81,088</b>	<b>78,069</b>
<b>Basic and diluted earnings per share (in QR per share)</b>	8	<b>0.019</b>	<b>0.018</b>

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the six month period ended 30 June 2020

	Six months ended 30 June	
	2020 (Reviewed) QR'000	2019 (Reviewed) QR'000
Profit for the period	81,088	78,069
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>81,088</b>	<b>78,069</b>

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.


 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 As at 30 June 2020

	Notes	30 June 2020 (Reviewed) QR'000	31 December 2019 (Audited) QR'000
<b>Non-current assets</b>			
Property, plant and equipment	9	1,433,461	1,483,774
Intangible assets	10	4,406,702	4,471,288
Right-of-use assets	11	353,067	358,339
Trade and other receivables		31,702	36,641
<b>Total non-current assets</b>		<b>6,224,932</b>	<b>6,350,042</b>
<b>Current assets</b>			
Inventories		31,606	38,001
Contract assets		21,324	34,859
Contract costs		3,786	5,012
Trade and other receivables		314,495	366,957
Cash and bank balances	12	135,192	303,198
<b>Total current assets</b>		<b>506,403</b>	<b>748,027</b>
<b>Total assets</b>		<b>6,731,335</b>	<b>7,098,069</b>
<b>Equity</b>			
Share capital	13	4,227,000	4,227,000
Legal reserve		69,038	62,881
Retained earnings		91,146	229,592
<b>Total equity</b>		<b>4,387,184</b>	<b>4,519,473</b>
<b>Non-current liabilities</b>			
Loans and borrowings	15	817,500	820,000
Provisions	16	63,001	122,111
Lease liabilities	17	271,715	253,288
Trade and other payables		86,920	107,074
<b>Total non-current liabilities</b>		<b>1,239,136</b>	<b>1,302,473</b>
<b>Current liabilities</b>			
Loans and borrowings	15	102,500	-
Lease liabilities	17	100,631	120,837
Trade and other payables		901,884	1,155,286
<b>Total current liabilities</b>		<b>1,105,015</b>	<b>1,276,123</b>
<b>Total liabilities</b>		<b>2,344,151</b>	<b>2,578,596</b>
<b>Total equity and liabilities</b>		<b>6,731,335</b>	<b>7,098,069</b>

The interim condensed consolidated financial statements were approved by the Board of Directors on 28 July 2020 and were signed on its behalf by:

Abdulla Bin Nasser Al Misnad  
Chairman

Rashid Fahad Al Naimi  
Managing Director

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.



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

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

For the six month period ended 30 June 2020

	Share capital	Legal reserve	Retained earnings/(Accumulated losses)		Total equity
			Distributable profits	Accumulated losses	
	QR'000	QR'000	QR'000	QR'000	QR'000
<b>Balance at 1 January 2019 (Audited)</b>	4,227,000	51,493	396,314	(84,067)	4,590,740
Profit for the period	-	-	-	78,069	78,069
Total comprehensive income for the period	-	-	-	78,069	78,069
Transfer to distributable profits (note 14)	-	-	120,115	(120,115)	-
Transfer to legal reserve (note 14)	-	6,006	(6,006)	-	(6,006)
Dividend for the year ended 31 December 2018	-	-	(211,350)	-	(211,350)
Transfer to social and sports fund	-	-	(1,952)	-	(1,952)
<b>Balance at 30 June 2019 (Reviewed)</b>	<b>4,227,000</b>	<b>57,499</b>	<b>297,121</b>	<b>(126,113)</b>	<b>4,455,507</b>
<b>Balance at 1 January 2020 (Audited)</b>	<b>4,227,000</b>	<b>62,881</b>	<b>397,752</b>	<b>(168,160)</b>	<b>4,519,473</b>
Profit for the period	-	-	-	81,088	81,088
Total comprehensive income for the period	-	-	-	81,088	81,088
Transfer to distributable profits (note 14)	-	-	123,134	(123,134)	-
Transfer to legal reserve (note 14)	-	6,157	(6,157)	-	(6,157)
Dividend for the year ended 31 December 2019 (note 19)	-	-	(211,350)	-	(211,350)
Transfer to social and sports fund	-	-	(2,027)	-	(2,027)
<b>Balance at 30 June 2020 (Reviewed)</b>	<b>4,227,000</b>	<b>69,038</b>	<b>301,352</b>	<b>(210,206)</b>	<b>4,387,184</b>

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six month period ended 30 June 2020

	Six months ended 30 June	
	2020 (Reviewed) QR'000	2019 (Reviewed) QR'000
<b>Cash flows from operating activities</b>		
Net profit for the period	81,088	78,069
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	122,350	111,491
Amortisation of intangible assets	90,813	89,493
Depreciation of right-of-use assets	52,836	41,608
Other income	(926)	(1,531)
Other financing costs	12,930	14,005
Finance costs	21,717	15,901
<i>Change in operating assets and liabilities</i>		
Decrease in inventories	6,395	11,039
Decrease/ (increase) in trade and other receivables	57,401	(92,034)
Decrease in contract assets	13,535	1,704
Decrease/ (increase) in contract costs	1,226	(751)
Increase/ (decrease) in trade and other payables	(286,470)	2,107
Increase in provisions	4,204	4,731
<b>Cash generated from operations</b>	177,099	275,832
Finance costs paid	(23,413)	-
<b>Net cash flows from operating activities</b>	153,686	275,832
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment	(135,351)	(61,724)
Purchase of intangible assets	(26,227)	(121,138)
Movement in restricted bank accounts	(8,497)	(7,050)
Proceeds from other income	926	1,531
<b>Net cash flows used in investing activities</b>	(169,149)	(188,381)
<b>Cash flows used in financing activities</b>		
Repayment of lease liabilities	(58,187)	(54,561)
Dividend paid	(202,853)	(204,300)
Proceeds from loans and borrowings	100,000	-
<b>Net cash flows used in financing activities</b>	(161,040)	(258,861)
<b>Net decrease in cash and cash equivalents</b>	(176,503)	(171,410)
Cash and cash equivalents at the beginning of the period	286,708	390,601
<b>Cash and cash equivalents at the end of the period (note 12)</b>	110,205	219,191

The accompanying notes 1 to 22 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 year period (which may be extended by a resolution passed at a General Assembly) under Article 68 of the Qatar Commercial Companies Law Number 5 of 2002. 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 Exchange.

The Company is licensed by the Ministry of Transport and Communications (formerly 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 Communications Regulatory Authority (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’s head office is located in Doha, State of Qatar and its registered address is P.O. Box 27727, Qatar Science and Technology Park, Doha, State of Qatar.

In 2019, the Company established a fully owned subsidiary, Infinity Solutions LLC (the “Subsidiary”). The Subsidiary will provide various operational and administrative services directly to its parent company Vodafone Qatar P.Q.S.C. in specific business areas. The Subsidiary has commenced its limited commercial operations during the six month period ended 30 June 2020.

These interim condensed consolidated financial statements includes the interim condensed financial statements of the Company and the Subsidiary (together referred to as the “Group”).

**2 BASIS OF PREPARATION****Statement of compliance**

These interim condensed consolidated financial statements for the six month period ended 30 June 2020 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 and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

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 and concluded that no material adjustment is required.

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 2019, except as noted in notes 3 and 4.



### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019 and the notes attached thereto, except for the adoption of certain new and revised standards that became effective in current period as set out below:

#### (i) New and amended standards adopted by the Group

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 2020:

Amendments to IFRS 3	<i>Amendments to clarify the definition of a business</i>
Amendments to IFRS 7	<i>Amendments regarding pre-replacement issues in the context of the IBOR reform.</i>
Amendments to IFRS 9	<i>Amendments regarding pre-replacement issues in the context of the IBOR reform</i>
Amendments to IAS 1, IAS 8	<i>Amendments regarding the definition of material</i>

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

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

Effective for annual periods beginning on or after 1 January 2021

- Amendments regarding the classification of liabilities
- Original issue regarding IFRS 17 *Insurance contracts*
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

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

#### Changes in judgements and estimation uncertainty

The critical judgements 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 2019 except for impact of Covid-19 (note 21) and the changes highlighted below:

##### *Asset retirement obligations*

During the period, the Group revised its estimates used in the calculation of the provision for asset retirement obligations and, as a result, recorded a reversal in the provision for asset retirement obligation by QR 64.6 million with a corresponding decrease in the related asset in Property, Plant and Equipment.

The change in accounting estimate in the provision for asset retirement obligation has resulted in an increase in the net profit for the period by QR 10.2 million. The change in accounting estimate will also result in a reduction in the unwinding of interest charge as well as in the periodic depreciation charge on related asset in Property Plant and Equipment in future periods, for which it is impracticable to estimate the exact impact.

**5 REVENUE**

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>QR'000</b>	<b>QR'000</b>
Revenue from pre-paid mobile services	288,420	351,001
Revenue from post-paid mobile services	532,474	488,117
Sale of equipment (mobile/network) and accessories	72,252	94,856
Other revenue	178,984	128,226
	<b>1,072,130</b>	<b>1,062,200</b>

**6 INDUSTRY FEE**

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

**7 OTHER FINANCING COST**

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>QR'000</b>	<b>QR'000</b>
Interest expense on lease liabilities	8,844	8,468
Other financing cost	4,086	5,537
	<b>12,930</b>	<b>14,005</b>

**8 BASIC AND DILUTED EARNINGS PER SHARE**

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Profit for the period (QR '000)	81,088	78,069
Weighted average number of shares (in thousands)	4,227,000	4,227,000
<b>Basic and diluted earnings per share (QR)</b>	<b>0.019</b>	<b>0.018</b>

**9 PROPERTY, PLANT AND EQUIPMENT**

	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>(Reviewed)</b>	<b>(Audited)</b>
	<b>QR'000</b>	<b>QR'000</b>
Net book value at the beginning of the period/ year	1,483,774	1,292,463
Additions during the period / year	72,037	418,505
Depreciation for the period/ year	<b>(122,350)</b>	<b>(227,194)</b>
<b>Net book value at the end of the period / year</b>	<b>1,433,461</b>	<b>1,483,774</b>

**10 INTANGIBLE ASSETS**

	<u>30 June 2020</u>	<u>31 December 2019</u>
	(Reviewed) QR'000	(Audited) QR'000
Net book value at the beginning of the period / year	4,471,288	4,428,490
Additions during the period / year	26,227	218,562
Amortisation for the period/ year	(90,813)	(175,764)
<b>Net book value at the end of the period/ year</b>	<b><u>4,406,702</u></b>	<b><u>4,471,288</u></b>

**11 RIGHT-OF-USE ASSETS**

	<u>30 June 2020</u>	<u>31 December 2019</u>
	(Reviewed) QR'000	(Audited) QR'000
Net book value at the beginning of the period / year	358,339	412,149
New leases added during the period/ year	47,564	31,677
Depreciation expense on right-of-use of assets	(52,836)	(85,487)
<b>Net book value at the end of the period/ year</b>	<b><u>353,067</u></b>	<b><u>358,339</u></b>

**12 CASH AND BANK BALANCES**

	<u>30 June 2020</u>	<u>31 December 2019</u>
	(Reviewed) QR'000	(Audited) QR'000
Cash and bank balances	135,192	303,198
Less: Balance with restricted bank accounts (note 12.1)	(24,987)	(16,490)
<b>Cash and cash equivalents</b>	<b><u>110,205</u></b>	<b><u>286,708</u></b>

12.1 This comprises funds maintained for uncollected shareholder dividends.

**13 SHARE CAPITAL**

	<u>30 June 2020</u>		<u>31 December 2019</u>	
	Number (Reviewed)	QR'000 (Reviewed)	Number (Audited)	QR'000 (Audited)
<b>Ordinary shares authorised, allotted, issued and fully paid:</b>				
Ordinary shares of QR 1 each	<u>4,227,000,000</u>	<u>4,227,000</u>	<u>4,227,000,000</u>	<u>4,227,000</u>



#### 14 LEGAL RESERVE AND DISTRIBUTABLE PROFITS

As per the Articles of Association of the Company, distributable profits are defined as the reported net profit/loss 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.

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

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

	Six months ended 30 June			
	2020		2019	
	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000
Balance at beginning of the period		397,752		396,314
Net profit for the period	81,088		78,069	
Amortisation of license fee	42,046		42,046	
Distributable profit	<u>123,134</u>		<u>120,115</u>	
Transfer to distributable profits		123,134		120,115
Transfer to legal reserve		(6,157)		(6,006)
Dividends declared (note 19)		(211,350)		(211,350)
Transfer to social and sports fund		(2,027)		(1,952)
Balance at period end		<u>301,352</u>		<u>297,121</u>

#### 15 LOANS AND BORROWINGS

	30 June 2020 (Reviewed) QR'000	31 December 2019 (Audited) QR'000
Loan – I	820,000	820,000
Loan – II (i)	100,000	-
	<u>920,000</u>	<u>820,000</u>

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

	30 June 2020 (Reviewed) QR'000	31 December 2019 (Audited) QR'000
Non-current liabilities	817,500	820,000
Current liabilities	102,500	-
	<u>920,000</u>	<u>820,000</u>

(i) During the six month period ended 30 June 2020, the Group utilised QR 100 million from its financing facility from a local bank.

#### 16 PROVISIONS

	30 June 2020 (Reviewed) QR'000	31 December 2019 (Audited) QR'000
Asset retirement obligations (note 4)	22,580	85,894
Employees' end of service benefits	40,421	36,217
	<u>63,001</u>	<u>122,111</u>

**17 LEASE LIABILITIES**

	<b>30 June 2020</b>	31 December 2019
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at beginning of the period/ year	374,125	401,655
New leases added during the period/ year	47,564	31,677
Interest expense for the period/ year	8,844	15,011
Payments made during the period/ year	(58,187)	(74,218)
Balance at end of the period/ year	<u>372,346</u>	<u>374,125</u>

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

Current lease liabilities	100,631	120,837
Non-current lease liabilities	271,715	253,288
	<u>372,346</u>	<u>374,125</u>

**18 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:

	<u>Six months ended 30 June</u>	
	<u>2020</u>	2019
	(Reviewed)	(Reviewed)
	QR'000	QR'000
<b><i>Sales of goods and services:</i></b>		
Qatar Foundation controlled entities	15,998	35,878
<b><i>Purchases of goods and services:</i></b>		
Qatar Foundation controlled entities	13,976	11,049

Goods and services are bought from related parties at prices approved by the management.

	<b>30 June 2020</b>	31 December 2019
	(Reviewed)	(Audited)
	QR'000	QR'000
<b><i>Receivables from related parties:</i></b>		
Qatar Foundation controlled entities	3,245	6,723
<b><i>Payables to related parties:</i></b>		
Qatar Foundation controlled entities	488	6,870

**19 DIVIDENDS**

On 3 February 2020, the Board of Directors had proposed a cash dividend of 5% of the nominal share value amounting to QR 211.4 million (QR 0.05 per share with nominal value of QR 1 each). This was subsequently approved by the shareholders during the Annual General Assembly held on 24 February 2020.

**20 COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>30 June 2020</b>	31 December 2019
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Capital commitments	<u>492,611</u>	<u>749,384</u>
Contingent liabilities	<u>72,807</u>	<u>90,348</u>

**21 IMPACT OF COVID-19**

Business outlook for 2020 could be affected by risks and uncertainties caused by a multitude of factors, some of which will be beyond the Group's control. In this context, the Group highlights the health emergency due to the recent spread of the Covid-19 virus, which was declared a pandemic by the World Health Organization during March 2020.

To contain the adverse implications for humanity and businesses, governments around the world, including the State of Qatar, have in response to this outbreak, announced various support measures as well as imposed, to varying degrees, restrictions on the movement of people and goods. Whilst the restriction of people and goods will adversely impact some businesses, the extent of those future impacts is unclear at present, as they will be determined by various factors, including the success of the support measures introduced by governments, businesses' ability to manage their operations during these times and the timing and manner of the easing of the restrictions.

The Group has a documented business continuity plan that has been activated to ensure the safe and stable continuation of its business operations. Business Continuity Planning Committees have been formed to determine and oversee the implementation of all business continuity plans associated with the effects of Covid-19, which include measures to address and mitigate any identified key operational and financial issues. The effects of Covid-19 on humanity and businesses continues to evolve, hence there are significant risks and uncertainties associated with its future impact on businesses, though the Group continues to update its plans to seek to respond to them.

The Group has performed its assessment of the Covid-19 impact and concluded that no significant changes are required as of 30 June 2020 in its key accounting judgements and estimates from those applied in the last annual consolidated financial statements for the year ended 31 December 2019, except for updating the forward-looking assumptions relating to the macroeconomic environment used to determine the likelihood of credit losses. Based on that assessment, the Group has concluded that there is no significant impact on its financial position and performance as at and for the six month period ended 30 June 2020.

The Group has also performed an assessment on its ability to continue as a going concern. The Group's projections shows that the Group has sufficient resources to continue in operational existence and its going concern position remains unaffected from Covid-19. Therefore, these interim condensed consolidated financial statements have been prepared on a going concern basis.

During the period, the Group made a social contribution of QR 10 million to the Supreme Committee for Crisis Management dedicated to manage the coronavirus pandemic.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six month period ended 30 June 2020

**22 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. 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			
	2020		2019	
	Consumer	Enterprise & others (Reviewed)	Consumer	Enterprise & others (Reviewed)
				Total
				QR'000
<b>Segment revenue</b>				
Timing of revenue recognition:				
Over time	684,453	315,425	680,429	286,915
Point in time	-	72,252	-	94,856
	684,453	387,677	680,429	381,771
		1,072,130		1,062,200
<b>Unallocated costs</b>				
Interconnection and other direct expenses		(366,047)		(397,538)
Employee salaries and benefits		(111,537)		(114,418)
Network, rentals and other operational expenses		(204,985)		(192,365)
Depreciation and amortisation expenses		(265,999)		(242,592)
Industry fee		(8,753)		(8,843)
<b>Operating profit</b>		114,809		106,444
Finance costs		(21,717)		(15,901)
Other financing costs		(12,930)		(14,005)
Other income		926		1,531
<b>Profit for the period</b>		81,088		78,069