



**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 2021**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2021**

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## **Independent auditor's report on review of interim condensed consolidated financial statements**

To the Board of Directors of Vodafone Qatar P.Q.S.C  
Doha, State of 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 subsidiaries (together the "Group") as at 30 June 2021, the interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the interim financial statements (the "interim condensed consolidated financial statements"). The Board of Directors 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 as at and for the six-month ended 30 June 2021 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

### **Other matter**

The consolidated financial statements of the Group as at and for the year ended 31 December 2020, and the interim condensed consolidated financial statements for the six-month period ended 30 June 2020, were audited and reviewed by another auditor who expressed an unmodified opinion dated 02 February 2021 and unmodified review conclusion dated 28 July 2021 on those financial statements, respectively.

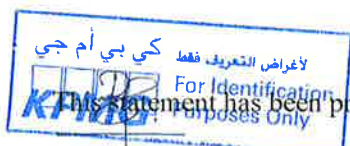
14 July 2021  
Doha  
State of Qatar

  
Gopal Balasubramaniam  
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
For the six month period ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 (Reviewed) QR'000	2020 (Reviewed) QR'000
Revenue	5	1,162,929	1,072,130
Interconnection and other direct expenses		(378,799)	(366,047)
Network, rentals and other operational expenses		(198,306)	(205,319)
Employee salaries and benefits		(114,251)	(111,203)
Depreciation of property, plant and equipment	9	(157,955)	(122,350)
Amortisation of intangible assets	10	(93,098)	(90,813)
Depreciation of right-of-use assets	11	(51,001)	(52,836)
Gain on disposal of property, plant and equipment		170	-
Industry fee	6	(15,372)	(8,753)
<b>Operating profit</b>		<b>154,317</b>	<b>114,809</b>
Finance costs		(15,697)	(21,717)
Other financing costs	7	(4,665)	(12,930)
Other income		129	926
<b>Profit for the period</b>		<b>134,084</b>	<b>81,088</b>
<b>Basic and diluted earnings per share (in QR per share)</b>	8	<b>0.032</b>	<b>0.019</b>



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

The accompanying notes 1 to 25 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 2021

	Six months ended 30 June	
	2021 (Reviewed) QR'000	2020 (Reviewed) QR'000
Profit for the period	134,084	81,088
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>134,084</b>	<b>81,088</b>



The accompanying notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.


 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 As at 30 June 2021

	Notes	30 June 2021 (Reviewed) QR'000	31 December 2020 (Audited) QR'000
<b>Non-current assets</b>			
Property, plant and equipment	9	1,589,788	1,646,698
Intangible assets	10	4,223,887	4,279,612
Right-of-use assets	11	323,249	371,621
Trade and other receivables		25,428	29,720
<b>Total non-current assets</b>		<b>6,162,352</b>	<b>6,327,651</b>
<b>Current assets</b>			
Inventories	12	20,235	21,848
Contract assets		25,802	22,003
Contract costs		4,168	3,023
Trade and other receivables		357,113	280,064
Cash and bank balances	13	179,664	174,854
<b>Total current assets</b>		<b>586,982</b>	<b>501,792</b>
<b>Total assets</b>		<b>6,749,334</b>	<b>6,829,443</b>
<b>Equity</b>			
Share capital	14	4,227,000	4,227,000
Legal reserve		85,128	76,334
Retained earnings		95,851	185,257
<b>Total equity</b>		<b>4,407,979</b>	<b>4,488,591</b>
<b>Non-current liabilities</b>			
Loans and borrowings	16	732,500	615,000
Provisions	17	75,182	72,092
Lease liabilities	18	228,979	282,704
Trade and other payables		56,983	84,535
<b>Total non-current liabilities</b>		<b>1,093,644</b>	<b>1,054,331</b>
<b>Current liabilities</b>			
Loans and borrowings	16	205,000	205,000
Lease liabilities	18	127,399	112,727
Trade and other payables		915,312	968,794
<b>Total current liabilities</b>		<b>1,247,711</b>	<b>1,286,521</b>
<b>Total liabilities</b>		<b>2,341,355</b>	<b>2,340,852</b>
<b>Total equity and liabilities</b>		<b>6,749,334</b>	<b>6,829,443</b>

These interim condensed consolidated financial statements were approved by the Board of Directors on 14 July 2021 and were signed on its behalf by:

**Abdulla Bin Nasser Al Misnad**  
Chairman

**Rashid Fahad Al Naimi**  
Managing Director



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The accompanying notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

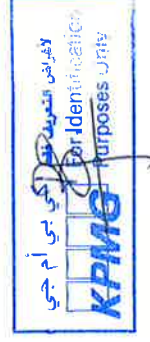
**VODAFONE QATAR P.Q.S.C.**



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

For the six month period ended 30 June 2021

	Share capital QR'000	Legal reserve QR'000	Retained earnings		Total equity QR'000
			Distributable profits QR'000	Accumulated losses QR'000	
<b>Balance as at 1 January 2020 (Audited)</b>	4,227,000	62,881	397,752	(168,160)	4,519,473
Profit for the period	-	-	-	81,088	81,088
Total comprehensive income for the period	-	-	-	81,088	81,088
Transfer to distributable profits (note 15)	-	-	123,134	(123,134)	-
Transfer to legal reserve (note 15)	-	6,157	(6,157)	-	(6,157)
Dividend for the year ended 31 December 2019 (note 21)	-	-	(211,350)	-	(211,350)
Transfer to social and sports fund	-	-	(2,027)	-	(2,027)
<b>Balance as 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>
<b>Balance as at 1 January 2021 (Audited)</b>	<b>4,227,000</b>	<b>76,334</b>	<b>437,392</b>	<b>(252,135)</b>	<b>4,488,591</b>
Profit for the period	-	-	-	134,084	134,084
Total comprehensive income for the period	-	-	-	134,084	134,084
Transfer to distributable profits (note 15)	-	-	175,872	(175,872)	-
Transfer to legal reserve (note 15)	-	8,794	(8,794)	-	(8,794)
Dividend for the year ended 31 December 2020 (note 21)	-	-	(211,350)	-	(211,350)
Transfer to social and sports fund	-	-	(3,346)	-	(3,346)
<b>Balance as at 30 June 2021 (Reviewed)</b>	<b>4,227,000</b>	<b>85,128</b>	<b>389,774</b>	<b>(293,923)</b>	<b>4,407,979</b>

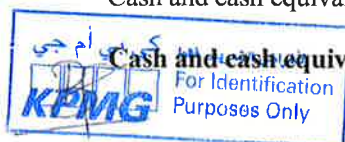


The accompanying notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six month period ended 30 June 2021

	Six months ended 30 June	
	2021 (Reviewed) QR'000	2020 (Reviewed) QR'000
<b>Cash flows from operating activities</b>		
Net profit for the period	134,084	81,088
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	157,955	122,350
Amortisation of intangible assets	93,098	90,813
Depreciation of right-of-use assets	51,001	52,836
Other income	(129)	(926)
Other financing costs	4,665	12,930
Finance costs	15,697	21,717
Gain on disposal of property, plant and equipment	(170)	-
<i>Change in operating assets and liabilities</i>		
Decrease in inventories	1,613	6,395
(Increase)/ decrease in trade and other receivables	(72,757)	57,401
(Increase)/ decrease in contract assets	(3,799)	13,535
(Increase)/ decrease in contract costs	(1,145)	1,226
Decrease in trade and other payables	(70,386)	(286,470)
Increase in provisions	3,090	4,204
<b>Cash generated from operations</b>	<b>312,817</b>	<b>177,099</b>
Finance costs paid	(15,608)	(23,413)
<b>Net cash flows from operating activities</b>	<b>297,209</b>	<b>153,686</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment	(113,483)	(135,351)
Purchase of intangible assets	(40,935)	(26,227)
Proceeds from disposal of property, plant and equipment	170	-
Movement in restricted bank accounts	(5,361)	(8,497)
Other income received	129	926
<b>Net cash flows used in investing activities</b>	<b>(159,480)</b>	<b>(169,149)</b>
<b>Cash flows used in financing activities</b>		
Payment of lease liabilities	(49,791)	(58,187)
Proceeds from loans and borrowings	220,000	100,000
Repayment of loans and borrowings	(102,500)	-
Dividend paid	(205,989)	(202,853)
<b>Net cash flows used in financing activities</b>	<b>(138,280)</b>	<b>(161,040)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(551)</b>	<b>(176,503)</b>
Cash and cash equivalents at the beginning of the period	151,446	286,708
<b>Cash and cash equivalents at the end of the period (note 13)</b>	<b>150,895</b>	<b>110,205</b>



The accompanying notes 1 to 25 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 was extended to sixty year period 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 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’s head office is located in Doha, State of Qatar and its registered address is 4<sup>th</sup> Floor, Building 02, Street 981, Zone 03, P.O. Box 27727, Msheireb Downtown, Doha, State of Qatar.

As at the reporting date, the Company has the following subsidiaries:

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

Infinity Payment Solutions LLC is yet to commence its commercial operations as of the reporting date.

These interim condensed consolidated financial statements include the interim condensed financial statements of the Company and the Subsidiaries (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 2021 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 2020. In addition, results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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.

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 2020.



### 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 2020 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 2021:

- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark Reform Phase 2

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 2022:

- Amendments to IAS 37 - Onerous Contracts: Cost of Fulfilling a Contract
- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41- Annual improvements 2018-2020 Cycle
- Amendments regarding IAS 16 Property, Plant and Equipment - Proceeds before intended use
- Amendments to IFRS 3 - Reference to the Conceptual Framework

Effective for annual periods beginning on or after 1 January 2023:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- IFRS 17 Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Estimate
- Amendments to IAS 1 and IFRS Practice Statement 2- Disclosure of Accounting Policies

Amendments with effective date yet to be set by IASB:

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

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

#### Changes in judgments and 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 2020.

**5 REVENUE**

	<b>Six months ended 30 June</b>	
	<b>2021</b> <b>(Reviewed)</b> <b>QR'000</b>	<b>2020</b> <b>(Reviewed)</b> <b>QR'000</b>
Revenue from pre-paid mobile services	<b>268,568</b>	288,420
Revenue from post-paid mobile services	<b>564,047</b>	532,474
Sale of equipment (mobile/network) and accessories	<b>84,931</b>	72,252
Other revenue	<b>245,383</b>	178,984
	<b>1,162,929</b>	1,072,130

**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 COST**

Other financing costs include unwinding of discounted portion of asset retirement obligations, interest expense on lease liabilities and certain other ancillary costs.

**8 BASIC AND DILUTED EARNINGS PER SHARE**

	<b>Six months ended 30 June</b>	
	<b>2021</b> <b>(Reviewed)</b>	<b>2020</b> <b>(Reviewed)</b>
Profit for the period (QR '000)	<b>134,084</b>	81,088
Weighted average number of shares (in thousands)	<b>4,227,000</b>	4,227,000
Basic and diluted earnings per share (QR)	<b>0.032</b>	0.019

**9 PROPERTY, PLANT AND EQUIPMENT**

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b> <b>(Reviewed)</b> <b>QR'000</b>	<b>2020</b> <b>(Audited)</b> <b>QR'000</b>
Net book value at the beginning of the period/ year	<b>1,646,698</b>	1,483,774
Additions during the period / year	<b>113,483</b>	398,964
Transfers during the period / year (note 9.1)	<b>(12,438)</b>	25,491
Depreciation for the period/ year	<b>(157,955)</b>	(261,531)
Net book value at the end of the period / year	<b>1,589,788</b>	1,646,698

**9.1** During the period, based on a review of the Assets, the Group transferred certain assets between Property Plant and Equipment (PPE) and Intangibles assets in line with the nature and use of those assets.

**9.2** The net book value of PPE includes Asset Under Construction amounting to QR 136.60 million (31 December 2020 QR 230.52 million), which are not depreciated.

**10 INTANGIBLE ASSETS**

	<u>30 June 2021</u>	<u>31 December 2020</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	4,279,612	4,471,288
Additions during the period / year	24,935	12,190
Transfers during the period / year (note 9.1)	12,438	(25,491)
Amortisation for the period/ year	(93,098)	(178,375)
Net book value at the end of the period/ year	<u>4,223,887</u>	<u>4,279,612</u>

**11 RIGHT-OF-USE ASSETS**

	<u>30 June 2021</u>	<u>31 December 2020</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	371,621	358,339
New leases added during the period/ year	2,629	112,247
Depreciation expense on right-of-use of assets	(51,001)	(98,965)
Net book value at the end of the period/ year	<u>323,249</u>	<u>371,621</u>

**12 INVENTORIES**

	<u>30 June 2021</u>	<u>31 December 2020</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Handsets	18,769	19,339
Scratch cards and accessories	6,340	6,449
Gross value	<u>25,109</u>	<u>25,788</u>
Less: Provision for stock obsolescence (note 12.1)	(4,874)	(3,940)
Written down value	<u>20,235</u>	<u>21,848</u>

**12.1** Movement in provision for stock obsolescence is as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at beginning of the period/ year	3,940	4,074
Amounts charged to consolidated statement of income	934	749
Amounts written off during the period/ year	-	(883)
Balance at end of the period/ year	<u>4,874</u>	<u>3,940</u>

**13 CASH AND BANK BALANCES**

	<u>30 June 2020</u>	<u>31 December 2020</u>
	(Reviewed)	(Audited)
	QR'000	QR'000
Cash and bank balances	179,664	174,854
Less: Balance with restricted bank accounts (note 13.1)	(28,769)	(23,408)
Cash and cash equivalents	<u>150,895</u>	<u>151,446</u>

**13.1** This comprises funds maintained for uncollected shareholder dividends.


**14 SHARE CAPITAL**

	30 June 2021		31 December 2020	
	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>

**15 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			
	2021		2020	
	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000
Balance at beginning of the period		437,392		397,752
Net profit of the Company	133,826		81,088	
Amortisation of license fee	42,046		42,046	
Distributable profit	<u>175,872</u>		<u>123,134</u>	
Transfer to distributable profits		175,872		123,134
Transfer to legal reserve		(8,794)		(6,157)
Dividends declared (note 21)		(211,350)		(211,350)
Transfer to social and sports fund		(3,346)		(2,027)
Balance at period end		<u>389,774</u>		<u>301,352</u>

**16 LOANS AND BORROWINGS**

	30 June 2021	31 December 2020
	(Reviewed) QR'000	(Audited) QR'000
Loan – I	717,500	820,000
Loan – II	220,000	-
	<u>937,500</u>	<u>820,000</u>

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

Non-current liabilities	732,500	615,000
Current liabilities	205,000	205,000
	<u>937,500</u>	<u>820,000</u>

**17 PROVISIONS**

	<b>30 June 2021</b>	31 December 2020
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Asset retirement obligations	31,069	29,639
Employees' end of service benefits	44,113	42,453
	<b>75,182</b>	<b>72,092</b>

**18 LEASE LIABILITIES**

	<b>30 June 2021</b>	31 December 2020
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Balance at the beginning of the period/ year	395,431	374,125
New leases added during the period/ year	2,629	112,247
Interest expense for the period/ year	8,109	16,144
Rent waivers received during the period/ year	-	(1,188)
Payments made during the period/ year	(49,791)	(105,897)
Balance at the end of the period/ year	<b>356,378</b>	<b>395,431</b>

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

Current lease liabilities	127,399	112,727
Non-current lease liabilities	228,979	282,704
	<b>356,378</b>	<b>395,431</b>

**19 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.

	<b>Carrying value</b>	
	<b>30 June 2021</b>	31 December 2020
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
<b>Financial assets</b>		
Cash and bank balances	179,664	174,854
Trade and other receivables (excluding prepayments)	290,100	251,259
Contract assets	25,802	22,003
<b>Financial liabilities</b>		
Lease liabilities	(356,378)	(395,431)
Trade and other payables (excluding accruals and deferred income)	(474,357)	(567,256)
Loans and borrowings	(937,500)	(820,000)



## 20 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	
	2021 (Reviewed) QR'000	2020 (Reviewed) QR'000
<b><i>Sales of goods and services:</i></b>		
Qatar Foundation controlled entities	8,374	15,998
<b><i>Purchases of goods and services:</i></b>		
Qatar Foundation controlled entities	18,711	13,976

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

	30 June 2021 (Reviewed) QR'000	31 December 2020 (Audited) QR'000
	<b><i>Receivables from related parties:</i></b>	
Qatar Foundation controlled entities	17,999	11,411
<b><i>Payables to related parties:</i></b>		
Qatar Foundation controlled entities	7,815	4,261

### Compensation of key management personnel

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

	Six months ended 30 June	
	2021 (Reviewed) QR'000	2020 (Reviewed) QR'000
Salaries and short-term benefits	17,157	13,032
Employees' end of service benefits	306	329
	17,463	13,361

## 21 DIVIDENDS

On 2 February 2021, 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 2021.

**22 COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>30 June 2021</b>	31 December 2020
	<b>(Reviewed)</b>	(Audited)
	<b>QR'000</b>	QR'000
Capital commitments	<b>378,281</b>	429,824
Contingent liabilities	<b>120,843</b>	129,063

**23 IMPACT OF COVID-19**

Business outlook since first quarter of 2020 has been affected by risks and uncertainties caused by a multitude of factors, some of which were beyond the Group's control.

To contain the adverse implications for humanity and businesses, governments around the world, including the State of Qatar, had 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 adversely impacted some businesses, The Government of State of Qatar (the Government) has managed to successfully control the outbreak to date, owing primarily to the unprecedented yet effective measures taken by the Government and quick roll out of Covid-19 Vaccine, following which the Government has ended the lockdowns in the State of Qatar and has adopted phased approach towards normalisation.

The Group performed its assessment of the Covid-19 impact and concluded that no significant changes are required as of 30 June 2021 in its key accounting judgements and estimates, 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 2021.

The Group 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.

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

**24 RECLASSIFICATIONS**

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





NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six month period ended 30 June 2021

**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. 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			
	2021		2020	
	Consumer	Enterprise & others (Reviewed)	Total	Consumer Enterprise & others Total (Reviewed)
	QR'000			
<b>Segment revenue</b>				
Timing of revenue recognition:				
Over time	706,830	371,168	1,077,998	684,453
Point in time	-	84,931	84,931	69,566
	<b>706,830</b>	<b>456,099</b>	<b>1,162,929</b>	<b>684,453</b>
				<b>387,677</b>
				<b>1,072,130</b>
<b>Unallocated costs</b>				
Interconnection and other direct expenses		(378,799)		(366,047)
Network, rentals and other operational expenses		(198,306)		(205,319)
Employee salaries and benefits		(114,251)		(111,203)
Depreciation and amortisation expenses		(302,054)		(265,999)
Gain on disposal of property, plant and equipment		170		-
Industry fee		(15,372)		(8,753)
<b>Operating profit</b>		<b>154,317</b>		<b>114,809</b>
Finance costs		(15,697)		(21,717)
Other financing costs		(4,665)		(12,930)
Other income		129		926
<b>Profit for the period</b>		<b>134,084</b>		<b>81,088</b>