ANNUAL REPORT 2020

Ready?

vodafone

In the Name of Allah,
Most Gracious, Most Merciful

His Highness Sheikh Hamad bin Khalifa Al-Thani

The Father Amir

His Highness Sheikh Tamim bin Hamad Al-Thani

Amir of the State of Qatar

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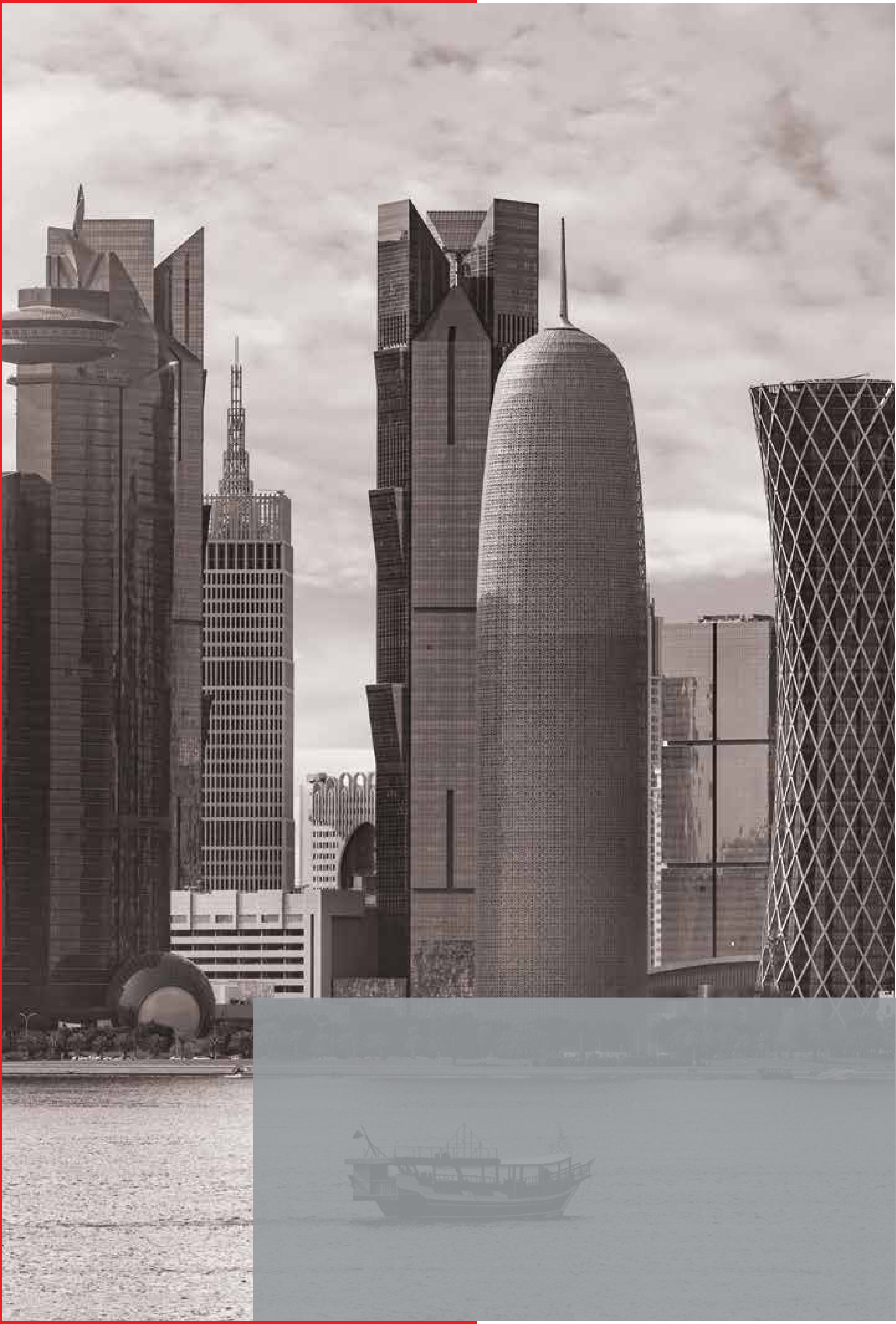
Executive Summary



FROM OUR BOARD OF DIRECTORS

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to share with you Vodafone Qatar's financial results and business performance for the year ended on December 31st, 2020.

For many businesses, 2020 was an exceptionally difficult year. The earlier phases of the pandemic were particularly challenging and maintaining a delicate balance between safety measures and maintaining quality required enormous effort.

Nonetheless, Vodafone Qatar chose to face these challenges and move forward with executing its defined corporate strategy to include continued investment in its infrastructure and expanding its advanced network to cover key areas across the country with 5G and fibre. Our commitment to advanced technical solutions, including the Internet of Things, Cloud Services and Big Data is enabling Qatari entities, of all sizes and from all industries, to optimise their automation needs. As the trusted digital partner for a number of the country's leading entities, Vodafone's infrastructure and support services have become an integral part of these organisations' digital transformation strategy, and a strong contributor to our 2020 growth trajectory.

The Group reported its highest-ever Net Profit of QR 185 million, a 29% increase compared to the previous year mainly driven by EBITDA growth, despite the impact of COVID-19.

Total revenue for the year increased by 3.5% to reach QR 2.2 billion due to higher demand for the Group's fixed broadband services (GigaHome) and continued growth in Postpaid. Service Revenue grew by 3.7% to QR 2 billion and the mobile customer base stood at 1.7 million. EBITDA stood at QR 808 million reflecting strong growth of QR 99 million or 14% compared to last year, positively impacted by the higher service revenue and the continued cost optimisation programme. Consequently, EBITDA Margin improved by 3.4 percentage points to reach 36.7%, the highest in the Company's history.

Based on Vodafone Qatar's commitment to enhance shareholder value and the strong financial performance, the Board of Directors have recommended the distribution of a cash dividend of 5% of the nominal share value, i.e. QR 0.05 per share, which will be presented at the Company's next Annual General Assembly for approval.

On behalf of the Board of Directors, thank you to His Highness Sheikh Tamim bin Hamad Al-Thani, the Amir of the State of Qatar and to His Highness, Sheikh Hamad bin Khalifa Al-Thani, the Father Amir.

The Board is grateful to the regulators for extending their continued support for our vision, in particular the Communications Regulatory Authority, the Ministry of Transport and Communications, the Ministry of Commerce and Industry, the Qatar Financial Markets Authority and the Qatar Stock Exchange.

Our sincerest and most earnest appreciation goes to our executive management team for their leadership and to our employees for their relentless effort, dedication and commitment to our customers and to the company. Furthermore, we would like to extend our utmost appreciation to our customers and valued shareholders for their trust in Vodafone Qatar.

Abdulla Bin Nasser Al Misnad
Chairman of the Board of Directors

FROM OUR CEO

Dear Shareholders,

The year 2020 proved to be unprecedented in the wide array of challenges brought about due to the global pandemic. Like many companies around the world, Vodafone Qatar had to continue to deliver critical national digital infrastructure to keep families connected, enable businesses to operate, students to learn, health care to be delivered, and governments to provide critical services. Our employees, the vast majority of whom worked remotely, ensured that our customers remained connected and continued to have access to essential services. I am truly in awe of the role we played during these challenging times, and despite the circumstances, the great performance we were able to deliver this year. This is a strong testament to our team's strength and commitment.

Business Performance

Our Turnaround Strategy – in place since 2018 – is in effect and the results can be seen in our continued growth over the past year. Revenue increased by 3.5% to QR 2.2 billion, our EBITDA margin increased by 3.4pp to 36.7%, and our net profit increased 29% to QR 185 million. Our customer base stood at 1.7 million users, and we now have 23.7% of the total revenue market share (12 months rolling basis as of Q4-2020) in Qatar. We have achieved this growth despite the overall telecom industry and local telecom market-specific headwinds that have resulted in the continued erosion of overall market value. As we look ahead, we will continue to focus on the execution of our strategy and we remain confident in our ability to continue to deliver profitable and responsible growth to our shareholders.

Building a World Class Network

Fundamental to our long-term ability to sustain our current growth momentum lies in the importance of Vodafone to be at the forefront of technological advances. In 2020, we accelerated investments in both our wireless and fixed network infrastructure in addition to modernising our IT systems. Since the launch of our Fibre broadband network in 2018, our footprint has expanded at full speed, amplifying our presence and proving to be a strong alternative in the market. On the Radio Access Network, we grew our base stations by >35% over the past three years, and deployed our 5G network to reach 70% population coverage in Qatar by the end of the year.

These investments have enabled us to continue to diversify our revenue mix and to both reduce our exposure and minimize the impact of intensifying competitive pressure on any singular line of business at a given point in time, which was not the case a couple of years ago.

Strengthening our Core Business

This year saw the acceleration of our GigaHome broadband services along with GigaTV, our premium entertainment service, and the continued success of our unlimited 5G mobility value proposition within the consumer segment. Within the enterprise segment, we have been laser-focused on deepening our relationships, and extending beyond connectivity with a portfolio of managed services and smart solutions and elevating the quality of experience with investments in digital self-service solutions for account management.

Looking to the Future

Internally, the transformation of our operating model will remain in focus, and we will continue to transform our ways of working through investments in both solutions and capabilities in advanced analytics, process automation, digital operations, and digital channels. Externally, we will continue to canvas emerging technologies and innovation within our industry and seek out strategic opportunities that are adjacent to our core business.

Commitment to our Communities

In response to COVID-19, we launched initiatives that demonstrate our commitment to the community in Qatar:

- **Safety First:** We successfully moved to remote working with > 90% of employees working remotely at some point during the pandemic.
- **Digital Operations and Delivery:** We ramped up our digital channels and launched direct delivery of products and services to homes and businesses.
- **Celebrating the Heroes at the Frontlines:** Launched a campaign to celebrate the commitment of our frontline and essential workers.
- **Helped Business and Schools Stay Connected:** Provided mobile broadband connections for both businesses and schools.
- **Social Commitment:** Four million COVID-19 public health awareness messages were sent, 500 labour workers were provided with free data to support the Ministry of Transport and Communications and Ministry of Public Health to raise health awareness.

Parting Message

I want to thank our Board, shareholders, and customers for their trust in Vodafone and continued support in realizing our ambition, an ambition rooted in our commitment of leadership in connecting today's ideas with tomorrow's technology. Last but not least, I want to recognize our employees who have gone above and beyond during this unprecedented time in history, thank you for your constant support and commitment towards helping us remain market leaders even in times of difficulty and uncertainty.

Sincerely,

Hamad Abdulla Al-Thani
Chief Executive Officer

WHO WE ARE

Vodafone Qatar offers a comprehensive range of services that include voice, messaging, data, fixed communications, Internet of Things, and ICT managed services for both consumers and businesses in Qatar. The Company began commercial operations in 2009 and is serving 1.7 million mobile customers as of 31 December.

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

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

With a strong commitment to developing the digital infrastructure that will contribute towards establishing Qatar's long-term growth and prosperity while also enhancing the quality of life, Vodafone Qatar's relationship with the community it operates in extends well beyond the products and services it provides. Over the years, the Company's social investments have been aligned to its purpose to connect the people in Qatar and support them to lead a better future, by building a digital based society that enhances socioeconomic progress, fosters inclusivity, and does not come at the cost of our planet.

With over 29,000 institutional and retail shareholders, Vodafone Qatar is 92% Qatari-owned. This figure includes the 45% of shares owned by Vodafone and the Qatar Foundation LLC. As a member of the Qatar Stock Exchange, Vodafone Qatar also has a paid-up capital of QR 4.227 billion.

The Company's vision for the future is deep-rooted in its mission to connect today's ideas with the technologies of tomorrow, by pioneering digital innovation and aspiring to become Qatar's first choice for telecoms and digital services. Vodafone Qatar lives up to its slogan 'The Future is Exciting, Ready?' – an invitation to all its customers and the people of Qatar to embrace and enjoy the digital future together as partners.

MILESTONES

Vodafone journey in Qatar - Building a world-class company

2007
- Vodafone and the Qatar Foundation Consortium are named as the successful applicant in the auction for the second mobile license in the State of Qatar

2008
- The Vodafone and Qatar Foundation Consortium announced as the winning applicant of the Second Public Fixed Networks and Services Licence in the State of Qatar

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

2010
- Vodafone Qatar receives its Fixed Services License
- Vodafone Qatar opens its first handset service centre
- Vodafone mobile customer base reaches 500,000

2011
- Vodafone Qatar launches Machine to Machine Business Services
- Vodafone Qatar named 'Best Call Centre' at the Middle East Call Centre Awards

2012
- Vodafone Qatar launches fibre-based consumer and enterprise fixed-line services commercially
- Vodafone Qatar introduces the country's first smart recharge card
- Vodafone Qatar expands its retail footprint to reach 22 outlets

2013
- Vodafone Qatar achieves 1 million customers milestone
- The Vodafone Passport Pack is introduced for the country's best roaming rates
- Vodafone Qatar becomes the first company in Qatar to offer Secure Device Management to help businesses better protect their company data

Fibre

2014

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

2015

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

2016

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

2017

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

2018

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

2019

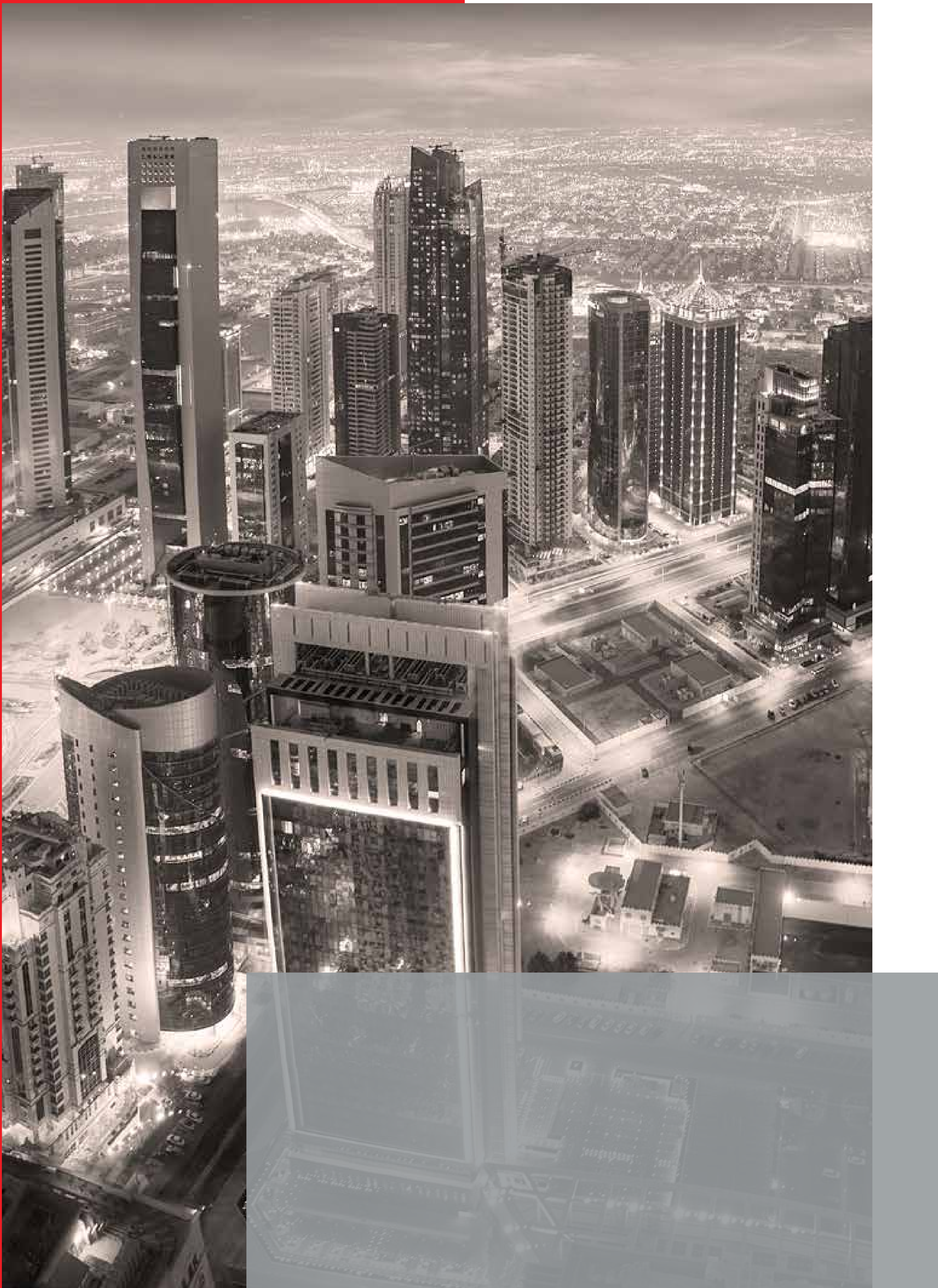
- Vodafone Qatar re-brands its world-class network technology (4G+, 5G & Fibre) to GigaNet.
- Vodafone Qatar launches GigaHome in continuation of their leadership in innovative digital solutions for the home.
- Vodafone GigaTV launches for premium entertainment for the entire family
- Vodafone Qatar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

2020

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

02.

Corporate Governance Report



EXTERNAL AUDITOR'S REPORT ON CORPORATE GOVERNANCE

Independent Assurance Report, to the Shareholders of Vodafone Qatar P.Q.S.C. on the Board of Directors' Statement on Compliance with the applicable Qatar Financial Markets Authority laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' statement on compliance of the Group with the applicable QFMA laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") as at December 31, 2020 (the "Board of Directors' Statement on Compliance").

Responsibilities of the directors and those charged with governance

The Board of Directors of the Group is also responsible for preparing the accompanying Annual Corporate Governance Report that covers, at the minimum, the requirements of Article 4 of the Code.

In the first section of the Annual Corporate Governance Report, the Board of Directors provides its statement on compliance with the applicable QFMA laws and relevant legislations including the Code.

Our Responsibilities

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' Statement on Compliance does not present fairly, in all material respects, the Group's compliance with the applicable QFMA laws and relevant legislations including the Code.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' Statement on Compliance, is not prepared in all material respects in accordance with the applicable QFMA laws and relevant legislations including the Code. The applicable laws and relevant legislations including the QFMA Code comprises the criteria by which the Group's compliance is to be evaluated for purposes of our limited assurance conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management and inspection of supporting policies, procedures, and other documents to obtain an understanding of the processes followed to identify the requirements of the applicable QFMA laws and relevant legislations including the Code (the 'requirements'); the procedures adopted by management to comply with these requirements; and the methodology adopted by management to assess compliance with these requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the requirements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Corporate Governance Report (but does not include the Directors' Statement on compliance with the QFMA Code presented in the first section of the Annual Corporate Governance Report), which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Statement on compliance with applicable QFMA laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our engagement of the Directors' Statement on Compliance, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' Statement on Compliance or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

Conclusions

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Board of Directors' Statement on Compliance in the first section of the Annual Corporate Governance Report on compliance with the applicable QFMA laws and relevant legislations including the Code, is not, in all material respects, fairly stated as at December 31, 2020.

Doha – Qatar
February 02, 2021

For **Deloitte & Touche**
Qatar Branch

Walid Slim
Partner
License No. 319
QFMA Auditor
License No. 120156

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31ST 2020

Introduction

Dear Shareholders,

I am pleased to present the Vodafone Qatar P.Q.S.C. ("Vodafone Qatar" or the "Company") Corporate Governance Report for the financial year ended on December 31st 2020. The Corporate Governance Report is intended to provide shareholders with a summary of the Company's governance policies and practices and an overview of how the Company has adhered to the main principles and requirements of the Qatar Financial Markets Authority ("QFMA") and in particular, the Governance Code for Companies and Legal Entities Listed on the Main Market, issued by QFMA Board Decision No. (5) of 2016 (the "QFMA Corporate Governance Code").

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

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

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

Abdulla Bin Nasser Al Misnad

Chairman

Corporate Governance at Vodafone Qatar and Compliance with the applicable QFMA laws and relevant legislations including the QFMA Corporate Governance Code

Vodafone Qatar has not been subject to any sanctions or financial penalties imposed by the QFMA in 2020 for non-compliance with any provisions of the QFMA laws and relevant legislations including the QMFA Corporate Governance Code. Vodafone Qatar highlights in this report any specific areas of non-compliance with particular provisions of the QFMA laws and relevant legislations including the QFMA Corporate Governance Code, including the reasons for any such non-compliance and the steps taken, or proposed to be taken, by the Board of the Company to ensure compliance in the future. Vodafone Qatar confirms that there is no material non-compliance with the provisions of the applicable QFMA laws and relevant legislations including the QFMA Corporate Governance Code.

Board Of Directors

Role of the Board of Directors

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

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

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

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

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

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

Board Composition

The Company's Board of Directors was elected by the Annual General Assembly of shareholders held on 4 March 2019 for a maximum term of three (3) years commencing from the date of the AGA. The current Board of Directors as of 31 December 2020 comprises seven (7) members as detailed below.

Name	Position	Original Date Elected / Appointed (Full Board re-elected on 4 March 2019)	Representing
H.E. Mr. Abdulla Bin Nasser Al Misnad	Chairman Independent Non-Executive	25/07/2016	All shareholders
H.E. Mr. Akbar Al Baker	Vice-Chairman Independent Non-Executive	25/07/2016	All shareholders
Mr. Rashid Fahad Al-Naimi	Non-Independent Executive (Managing Director)	23/06/2008	Vodafone and Qatar Foundation LLC
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	Independent Non-Executive	29/03/2018	All shareholders
H.E. Sheikh Saoud Abdul Rahman H.A Al-Thani	Non-Independent Non-Executive	29/03/2018	Vodafone and Qatar Foundation LLC
Mr. Nasser Jaralla Al-Marri	Non-Independent Non-Executive	25/07/2016	Vodafone and Qatar Foundation LLC
Mr. Nasser Hassan Al-Naimi	Non-Independent Non-Executive	07/11/2016	Vodafone and Qatar Foundation LLC

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

Biography of Board Members

H.E. Mr. Abdulla Bin Nasser Al Misnad

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

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

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

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

- Al Misnad LLC – Chairman
- Qatari Investors Group – Chairman
- Al Khaliji Bank – Board Member

H.E. Mr. Akbar Al Baker

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

Qatar Airways Group Chief Executive, H.E. Mr. Akbar Al Baker, is one of the most recognizable figures in the global aviation industry. His vision and commitment enabled the groundbreaking development of Qatar Airways from a small regional carrier into one of the world's leading global airlines in the span of just 20 years.

Born in Doha, H.E Mr. Al Baker worked at various levels in the Civil Aviation Directorate before being tasked with creating the world's best airline in 1997.

Under his leadership, Qatar Airways was awarded the 'World's Best Business Class', 'Best Business Class Seat,' 'Best Airline in the Middle East,' and 'World's Best First Class Airline Lounge' at the 2018 Skytrax World Airline Awards. In 2019, H.E. Mr. Al Baker received the Airline of the Year award for the fifth time at the 2019 Skytrax World Airline Awards – a first in the competition's history.

In November 2017 he was proudly named 'Aviation Executive of the Year' by the CAPA Centre for Aviation.

Education

- BA, Economics and Commerce

Biography of Board Members

Mr. Rashid Fahad Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 120,000 shares

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

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

Education

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

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

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

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

- Chairman and Managing Director - al khaliji Bank
- Vice Chairman - Qatari Investors Group
- Board Member - Qatari Businessmen Association
- Board Member - Qatar Insurance Company (QIC)
- Board member - Free Zone Authority

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

Education:

- Bachelor, Political Science

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

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

In addition to his post as Board member of Vodafone Qatar, Sheikh Saoud Al-Thani currently holds the position of Chairman of Gulf Bridge International Inc., a company registered and incorporated in the British Virgin Islands (BVI). He is also the Vice-Chairman and Managing Director of Qatar Solar Technologies (QSTec), a polysilicon manufacturing company headquartered in Doha, Qatar.

Sheikh Al-Thani is an oil and gas engineer whose energy career has spanned over 20 years, with more than 10 of these years in senior leadership roles around the world. Previously he was Chairman of Qatar Fuels (WOQOD) and Executive Director of Gas and Power for Qatar Petroleum International. Sheikh Al-Thani has an outstanding record in optimizing organizations, teams and investments to create new opportunities that increase shareholder value.

Sheikh Al-Thani is a regular keynote speaker at energy conferences around the world and has led numerous international Qatari delegations on different Governments international conferences and meetings. He is a firm believer in the value of continuing education and research, and is passionate about enabling people and organizations to maximize their full potential.

Education:

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

Biography of Board Members

Mr. Nasser Jaralla Al-Marri

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 1,250 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

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

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

Education

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

Mr. Nasser Hassan Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

Mr. Nasser Hassan Al-Naimi is currently the President and Executive Board Member of Barzan Holdings, a company established and owned 100% by the Qatar Ministry of Defence to strengthen Qatar's sovereignty and support the long-term development of R&D, knowledge transfer, human capital and empowering the military capabilities of the Qatari Armed Forces.

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

Education

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

Combination of Positions

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

Board Meetings

Article 36 of Vodafone Qatar's Articles of Association requires the Board of Directors to meet at least six (6) times per year and that no more than three (3) months shall go by without the Board holding a meeting. This is in line with the requirement set out under Article (14) of the QFMA Corporate Governance Code. Vodafone Qatar held a total of six (6) meetings during the financial year ended on December 31st 2020, as indicated in the table below.

Board Members / Dates of Board Meeting	Attendance					
	3 February 2020 (Approval of Year-End financial results)	22 April 2020 (Approval of first quarter financial results)	9 June 2020 (Business update)	28 July 2020 (Approval of second quarter financial results)	26 October 2020 (Approval of third quarter financial results)	9 December 2020 (Approval of 2021 Budget)
H.E. Mr. Abdulla Bin Nasser Al Misnad	√	√	√	√	√	√
H.E. Mr. Akbar Al Baker	√	√	√	√	√	√
Mr. Rashid Fahad Al-Naimi	√	√	√	√	√	√
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	√	√	√	√	√	√
H.E. Sheikh Saoud Abdul Rahman H.A Al-Thani	√	√	√	√	√	√
Mr. Nasser Jaralla Saeed Al-Marri	√	√	√	√	√	√
Mr. Nasser Hassan Al-Naimi	√	√	√	√	√	√

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

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

Board Performance/ Achievements

Please refer to the Executive Summary in the Company's Annual Report for a summary of the key achievements delivered by the Board and Executive Management during the financial year ended on December 31st 2020.

In addition, the 2020 annual self-assessment exercise for the performance of the Board and its Sub-Committees was conducted in accordance with a specific evaluation questionnaire set by the Board. The self-assessment exercise took into consideration the key components of the Board's composition and responsibilities, including the Board structure, access to and presentation of information, dynamics and Board member contributions, key responsibilities, relationship with Executive Management and the performance of its Sub-Committees.

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

Board Remuneration

Subject to compliance with the requirements of Law No. (11) of 2015, the "Promulgating the Commercial Companies Law" (the "Commercial Companies Law"), and the QFMA Corporate Governance Code, which maintain that Board remuneration shall not exceed 5% of the Company's net profit after deductions to the legal reserve, and payment of dividends to the shareholders of not owning less than 5% of the paid up capital, the Board is recommending the payment of remuneration to the Board members in recognition of their achievements during the financial year ended on December 31st 2020. The total remuneration proposed to the Board for the financial year ended on December 31st 2020 is referred to in the Company's financial statements at that date, which are included in the financial statements section of the Company's Annual Report. The Financial Statements are pending the endorsement of the Annual General Assembly meeting.

Board Development

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

In the last two years, the Board took the necessary steps to fully align its policies and practices with the requirements of the QFMA Corporate Governance Code as well as the international best practice governance principles.

Independent Advice

The Board recognises that there may be occasions where one or more of the Directors consider it necessary to seek independent legal and/or financial advice at the Company's expense. Independent legal and/or financial advice is sought by the Board as, and when, it is considered appropriate. The Board sought no independent legal and / or financial advice during the financial year ended on December 31st 2020.

Division of Responsibilities

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

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

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

c. the Chief Executive Officer is responsible for the management of the business and implementation of the Company's overall strategy and policy.

Board Committees

Vodafone Qatar currently has an Audit Committee, Remuneration Committee and Nomination Committee, each of which operates in accordance with a specific and detailed Terms of Reference approved by the Board. The Terms of Reference for each committee are available online (www.vodafone.qa). Members of these committees are not remunerated separately for membership of each committee.

Audit Committee

The Audit Committee of Vodafone Qatar currently consists of the following four (4) members who have the necessary expertise to fulfil the responsibilities of the committee:

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

Article 18.3 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three (3) members, the majority of whom should be independent and the Chairman shall be independent. Vodafone Qatar's Board believes the current composition of the Audit Committee is appropriate for its effective operation. Please see below for further information on the rationale for the current membership of the Audit Committee.

The Audit Committee responsibilities include:

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

e. setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work;

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

g. overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports;

h. considering, reviewing and following up the External Auditor's reports and notes on the Company's financial statements;

i. reviewing the disclosed numbers, data and financial statements and relevant company information submitted to the general assembly to ensure accuracy and completeness;

j. facilitating co-ordination between the Board and Senior Executive Management to ensure there is full alignment on the effectiveness of the internal controls of the Company;

k. reviewing the systems of financial and internal control and risk management;

l. conducting investigations into any financial control matters requested by the Board;

m. co-ordinating between the Internal Audit unit in the Company and the External Auditor;

n. reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board in this regard;

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

p. developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;

q. supervising the training programmes on risk management prepared by the Company and the relevant business stakeholders;

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

s. implementing the instructions of the Board and relevant Sub-Committees regarding the Company's Internal Controls;

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

u. assessing the Company's processes to comply with governance requirements with regard to applicable laws, regulations, Code of Business Conduct and Ethics;

v. reviewing and monitoring the procedures by which the Company complies with the governance requirements in respect of: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

w. reviewing reports and disclosures of significant conflicts of interest; and

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

Article 19 of the QFMA Corporate Governance Code requires the Audit Committee of a listed company to meet at least six (6) times per year. During the year 2020, the Audit Committee met on six (6) occasions as follows:

Committee Members / Dates of Audit Committee Meeting	Attendance					
	3 February 2020	21 April 2020	9 June 2020	27 July 2020	25 October 2020	8 December 2020
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	√	√	√	√	√	√
Mr. Rashid Fahad Al -Naimi	√	√	√	√	√	√
H.E. Sheikh Saoud Abdul Rahman H.A Al- Thani	√	√	√	√	√	√
Mr. Nasser Al- Marri	√	√	√	√	√	√

As noted in the Company's Governance Report for 2019, due consideration was given to the requirements of the QFMA Corporate Governance Code and, in particular, the requirement for a majority of the members of the Audit Committee to be independent Board members when re-constituting the committee. Vodafone Qatar was restricted by the fact that its Chairman is an independent Board member (as provided for under Article 29.3 of the Company's Articles of Association) and is prohibited from acting as a member of any Board committee (Article 7 of the QFMA Corporate Governance Code). Accordingly, only two (2) Independent Board members were available for membership of the Audit Committee, one (1) of whom was H.E. Akbar Al Baker, the Vice Chairman, who was appointed by the Board as the Chairman of the Remuneration Committee. Accordingly, to ensure the Audit Committee could operate effectively and was not adversely impacted by attendance issues arising from the other business commitments of its members, the Board took the decision to appoint only one (1) Independent Board Member to the Audit Committee, H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani, who was nominated as Chairman of the Audit Committee (as per the requirement to appoint an independent Board member as Chairman under Article 18 of the QFMA Corporate Governance Code). Given the significant experience of the members of the Audit Committee, the Board believes that all members of the Audit Committee will continue to exercise their roles in an independent and impartial manner to protect the best interests of the Company.

The main recommendations of the Audit Committee to the Board of Vodafone Qatar in 2020 were as follows:

a. Approval of the Company's full-year financial statements for the year ended on December 31st 2019, following the review of the report from the External Auditors;
b. approval of the financials statements for the three (3) months ended March 31st 2020;
c. approval of the financial statements for the half-year ended 30 June 2020, following the review of the report from the External Auditors;
d. approval of the financial statements for the nine (9) months ended 30 September 2020;
e. approval of several items related to the Company's activities, including, but not limited to, approval of new and updated policies and enterprise risk management framework and enhancing governance practices;
f. approval of the internal audit plan proposal for the year ended on December 31st 2020; and
g. approval of the re-appointment of Deloitte as the Company's external auditor for the financial year 2020.

The main updates of the Audit Committee to the Board of Vodafone Qatar in 2020 were as follows:

a. action plan to address external auditors report on internal control over financial reporting and governance;
b. progress against internal audit plan and audit activity summary results;
c. Internal audit' management actions status;
d. fraud reports; and
e. risk and compliance reports.

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

Remuneration Committee

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

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

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

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

a. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board members. The Board's yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and the distribution of dividends not less than 5% of the Company's share capital (in cash and in kind) to shareholders; and
b. setting the foundations of granting allowances and incentives in the Company, including possible issuance of incentive shares for its employees.

The Remuneration Committee met once during 2020 as follows:

Committee Members / Date of Remuneration Committee Meeting	3 February 2020
H.E. Mr. Akbar Al Baker	√
Mr. Rashid Fahad Al-Naimi	√
Mr. Nasser Al-Naimi	√

The main recommendations put forward to the Board in 2020 by the Remuneration Committee were as follows:

a. Approval of the new methodology of the performance development for the financial year 2019 and the following years;

a. approval of the Company's Short Term Incentive for the financial year 2019;

a. approval of the annual salary review for the financial year 2020;

b. approval of the Company's Long Term Incentive Scheme for the financial year 2020;

c. approval of the Company's Short Term Incentive targets for the financial year 2020; and

d. approval of the Board remuneration for the financial year 2019.

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

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

Nomination Committee

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

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

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

The Nomination Committee is responsible for:

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

b. nominating whom it deems fit for Board membership when any seat is vacant;

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

d. nominating whom it deems fit to fill any job at the level of Senior Executive Management;

e. receiving candidacy requests for the Board membership;

f. submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the QFMA; and

g. submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.

The Nomination Committee met once during 2020 as follows:

Committee Members / Date of Nomination Committee Meeting	8 December 2020
Mr. Rashid Fahad Al-Naimi	√
H.E. Sheikh Saoud Abdul Rahman Al-Thani	√
Mr. Nasser Al-Marri	√

In 2020, the Nomination Committee submitted an annual report to the Board on the performance of the Board and its Sub-Committees for the financial year 2020.

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

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

Company Secretary

The Company Secretary acts as secretary to the Board and Sub-Committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of both the Audit and Remuneration committees to other suitably qualified staff. The Company Secretary is responsible for:

a. Recording the minutes of the Board meetings, setting out names of the attending and absent members and the meeting discussions and noting members' objections to any decision issued by the Board;
b. recording the Board decisions in the register prepared for this purpose as per issuance date;
c. recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members' objections, if any;
d. safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records;
e. sending to the Board members and participants (if any) the meeting invitations accompanied with the agenda, and receiving members' requests to add any items to the agenda with submission date;
f. making full co-ordination between the Chairman and the members, among members themselves, as well as between the Board and related parties and stakeholders in the Company including shareholders, management, and employees;
g. enabling the Chairman and the members to have timely access to all information, documents, and data pertaining to the Company; and
h. safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Commercial Companies Law and the provisions of the QFMA Corporate Governance Code.

The appointment or removal of the Company Secretary is a matter for the Board as a whole. The current Company Secretary of Vodafone Qatar is Pauline Abi Saab, who is the Head of Investor Relations for the Company. Mrs. Abi Saab joined Vodafone Qatar in February 2017 and has held the role of Company Secretary since 1 April 2019. Mrs. Abi Saab has been closely involved in the execution and management of company secretarial and governance related matters of the Company for a few years in her capacity as the Company's Head of Investor Relations. She has over 12 years' experience in corporate governance matters and held senior positions in corporate affairs and investor relations at a Qatari national bank prior to joining Vodafone Qatar.

Executive Management Team

Sheikh Hamad Abdulla Jassim Al-Thani

Chief Executive Officer

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 25,000 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 25,000 shares

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

Khames Mohammed Al Naimi

Chief Human Resources Officer

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

Khames Al Naimi is responsible for the coordination and implementation of the overall human resources management strategy of the Company. Within the scope of his role, he is responsible for ensuring the success of the Company's HR programmes, embedding best practices within the Company's Human Resources functions.

Diego Camberos

Chief Operating Officer

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

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

Brett Goschen

Chief Financial Officer

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

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

Ramy Boctor

Chief Technology Officer

Number of shares held directly in Vodafone Qatar as of 31 December 2020: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2020: 0 shares

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

Senior Management Performance and Remuneration for 2020

Vodafone Qatar assesses the performance of Senior Management and all employees through a Performance Development system. Performance Development is designed to enable employees and managers to engage in continuous, ongoing dialogue about performance, feedback, development, and potential, in order to identify and develop high performing individuals and teams in current and future roles. In 2020, Vodafone Qatar worked on a 12-month cycle from setting breakthrough goals aligned with the functional goals and the corporate strategy at the start of the financial year in January/February, to the end of year reviews in November/December. A formal review process to assess and calibrate performance was carried out at both a functional and company level.

Please refer to the Executive Summary in the Company's Annual Report for a summary of the key achievements delivered by the Executive Management during the financial year ended on December 31st 2020.

For details of the remuneration paid to the Executive management team of Vodafone Qatar, please refer to the Company's financial statements as of 31 December 2020, which are also included in the Vodafone Qatar Annual Report. The Financial Statements are pending the endorsement of the Annual General Assembly meeting.

Internal Control and Risk Management

(a) Internal Control Processes

The Board assumes overall responsibility for internal risk management and control processes. Based on the management's assessment of the design, implementation, and operating effectiveness of internal controls relating to financial reporting, no material weaknesses were identified by the Company during the financial year ended on December 31st 2020.

In addition, Vodafone Qatar's External Auditors carried out a reasonable assurance engagement over The Board of Directors' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the "Directors' ICFR Report") as of 31 December 2020 to ensure compliance with Article 24 of the QFMA Corporate Governance Code. The report from the External Auditors expresses a reasonable assurance opinion on the fairness of the presentation of the Directors' ICFR Report forming part of the Corporate Governance report based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as at 31 December 2020. The report from the External Auditors and the Directors' ICFR Report are included at the end of the Corporate Governance report for the year ended December 31, 2020.

(b) Compliance Programme

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

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

(c) Business Continuity Management

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

a. ensure compliance with the BCM policy and its procedures;
b. approve BCM procedures and all related processes, rules and documents;
c. monitor continuous improvement of the BCM program and procedures;
d. ensure that all members of the business are aware of their responsibilities related to BCM;
e. define, drive and support the implementation of BCM Strategy within Vodafone Qatar;
f. approve and prioritize BC Strategies for critical business processes and systems prior to implementation;
g. monitor the development, review and implementation of BCM plans;
h. approve and monitor the review of the Company's crisis management plan;
i. define recommendations to improve BCM strategies and operations within the Company; and
j. support and promote awareness actions.

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

The advent of the COVID-19 pandemic highlighted the critical role played by Business Continuity planning in the overall management of Vodafone Qatar's business affairs. As the aftermath of the pandemic was beginning to be clear, the CMT (Crisis Management Team) swiftly decided to deploy a Work from Home strategy to minimize losses and optimize revenue. Our Business Continuity plan focused on maintaining to serve customers through routine cleaning and sanitization in stores and ensuring all staff adhere to health protocols in stores as well at the office.

The efficacy of Vodafone Qatar's BCM and Business Continuity Plan was especially evident when the company maintained its ISO 22301 Certification after being remotely audited by the British Standards Institution. Vodafone Qatar was able to achieve its goals and exemplify an efficient, effective and proficient "Digital Way" of handling business.

(d) Enterprise Risk Management

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

Internal Audit

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

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

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

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

External Auditor

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

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

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

The decision to re-appoint Deloitte as the External Auditors of Vodafone Qatar was approved by the shareholders of the Company at the Annual General Assembly which took place on 24 February 2020.

Disclosure and Transparency

Disclosure obligations

Vodafone Qatar has throughout 2020 complied with the disclosure requirements set out in the rules and regulations of the QFMA and the QSE.

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

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

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

As a general principle, Vodafone Qatar does not comment, affirmatively or negatively, on rumours. If undisclosed material information has been publicly leaked and appears to be affecting trading activity in the Company's stock, or the QFMA or the QSE requests that the Company makes a definitive statement in response to a market rumour that is causing unusual activity in the stock, the authorised spokespersons will consider the matter and determine if a notice / press release should be issued disclosing the relevant material information or confirming there is no undisclosed material information. No such market rumours arose in the financial year ended on December 31st 2020.

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

Subsidiaries

(a) Infinity Solutions LLC

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

(b) Infinity Payment Solutions LLC

The Company established a new fully owned subsidiary under the name of "Infinity Payment Solutions LLC" for the purpose of providing Fintech and digital innovation services. It is yet to commence its commercial operations as of 31 December 2020.

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

Conflicts of Interest and Insider Trading

Conflicts of Interest and related Party Transactions

Vodafone Qatar has an established a Conflict of Interests Policy that forms part of its Governance Policy framework and Code of Conduct. The purpose of this policy is to promote and maintain transparency and proper management of any potential conflicts of interest relating to employees and their personal interests outside Vodafone Qatar. Application of this policy is in accordance with international best practice and serves to protect the interests of both the Company and its employees from any impropriety.

The Vodafone Executive Management Team and all staff in positions of key responsibility or influence are required to declare any potential conflicts and to obtain formal approval prior to entering into any business related arrangements that may give rise to a conflict. Where relevant, protective measures are put in place to ensure no conflict arises and any associated risk is properly mitigated. It is the responsibility of each Vodafone Qatar employee to notify their line manager and the Rewards and Services team of any changes in personal circumstances that may give rise to a conflict of interest. Any failure by an employee to follow the above process is treated as violation of policy.

Vodafone Qatar did not enter into any transactions with Related Parties (as defined in the QFMA Governance Code) during the financial year ended on December 31st 2020.

Anti-Bribery

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

As part of the anti-bribery programme, specific actions and measurements are taken to actively manage identified sources of risk. Measures taken include:

a. mandatory training for all staff in key positions of responsibility or influence;

b. creating and maintaining an official register in which all employees are required to record all corporate gifts or hospitality whether given or received.

Breaches of this policy are treated as a serious disciplinary offence.

Insider Trading

Vodafone Qatar has in place a policy summarising share trading guidelines and specifically, the insider trading rules and regulations applicable in Qatar. This policy, together with relevant share trading black-out dates, is communicated to the Vodafone Qatar Board, Executive Management Team and all employees prior to the commencement of each trading black-out period (i.e. at least fifteen (15) days prior to the disclosure of any financial results to the QSE). Vodafone Qatar has provided the QSE, the QFMA and the QCSD with a list of Insiders within the Company – the list of Insiders is continuously reviewed and updated as necessary. In addition, Vodafone Qatar monitors the direct trading activities related to the Company's shares by its Directors and Executive Management Team.

Litigation and Disputes

Vodafone Qatar is currently engaged in litigation in the Court of Appeal with the General Tax Authority in respect of certain tax matters relating to the Company. This was the only material litigation involving the Company in 2020.

Our Shareholders

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

Investor Relations

Vodafone Qatar has a dedicated Investor Relations function and is committed to communicating to shareholders, investors and financial analysts the Company's strategy, activities and financial and business performance as permitted by applicable QSE rules and regulations. The Investor Relations function as part of its primary purpose and function acts to maintain an active and transparent dialogue with investors through a planned programme of investor relations activities and disclosures throughout the year, including (but not limited to):

a. publication of financial statements, earning releases and investor presentations of quarterly, half-year and full-year results;
b. publication of an Annual Report of the Company that provides a comprehensive overview of the company's financial and business performance for the year;
c. hosting of investors and analysts calls to coincide with the release of the Company's financial results at which senior executive managers provide an overview of business and financial performance;
d. hosting of the Annual General Assembly meeting which all shareholders are invited to attend, actively participate and to exercise their voting rights;
e. ongoing meetings with institutional investors and analysts, attended by the Chief Executive Officer and/or the Chief Financial Officer to discuss the business and financial performance;
f. fair and complete disclosure of material information;
g. answering shareholders' and analysts' queries and concerns in a timely manner;
h. attending ongoing conferences and roadshows throughout the year; and
i. enhancing and updating the Investor Relations website dedicated to the Company's shareholders, investors and analysts.

General Assembly Meeting

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

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

Access to information

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

Additionally, as per Article 12 of the Vodafone Qatar's Articles of Association shareholders have access to the Company's shareholder register for free.

Major Shareholders

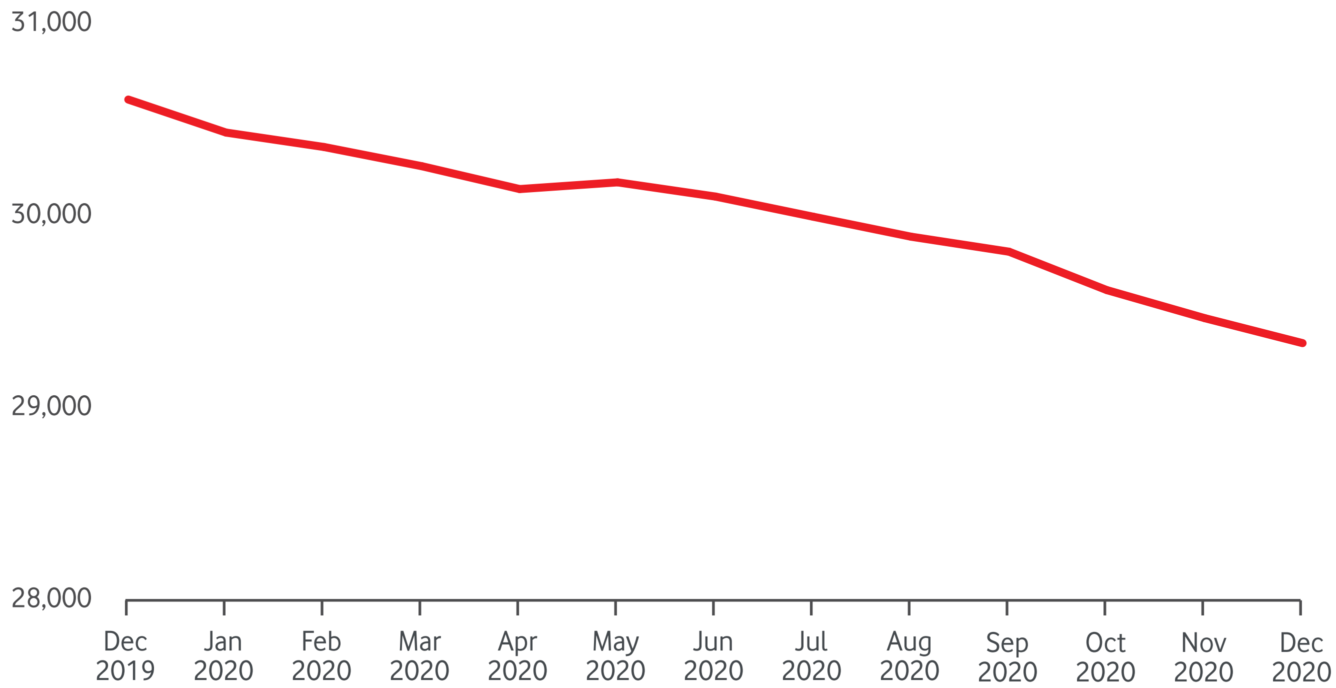
The Company's major shareholders as at 31 December 2020 holding 5% and above of the Company's share capital are as set out in the table below:

Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC [1]	Corporations	Qatar	1,902,150,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	294,131,602	6.96%
Military Pension Fund - General Retirement Authority	Government	Qatar	224,561,258	5.31%
Qatar Foundation for Education Science and Community Development [2]	Corporations	Qatar	211,350,000	5.00%
		Total	**2,632,192,860**	**62.27%**

1. Vodafone and Qatar Foundation LLC owns 45% of the Company's capital and is itself 100% owned by Qatar Foundation.
2. Accordingly, Qatar Foundation's ownership interest in the Company (both directly held and indirect through Vodafone and Qatar Foundation LLC) totals 50% of the Company's capital.

Number of Shareholders

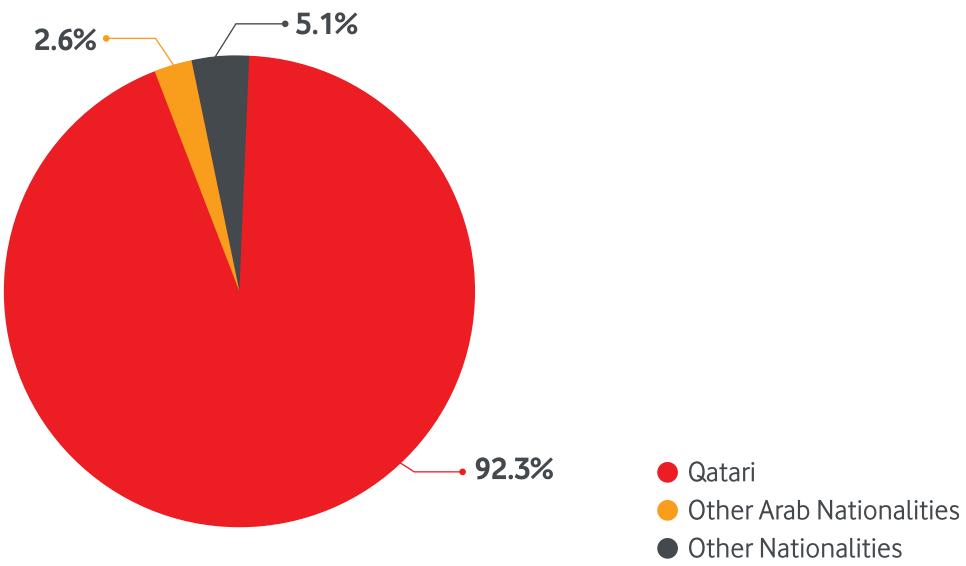
On 31 December 2020, the total number of shareholders in Vodafone Qatar reached 29,399 down from 30,607 as end of December 2019.



Shareholder Base by Nationality

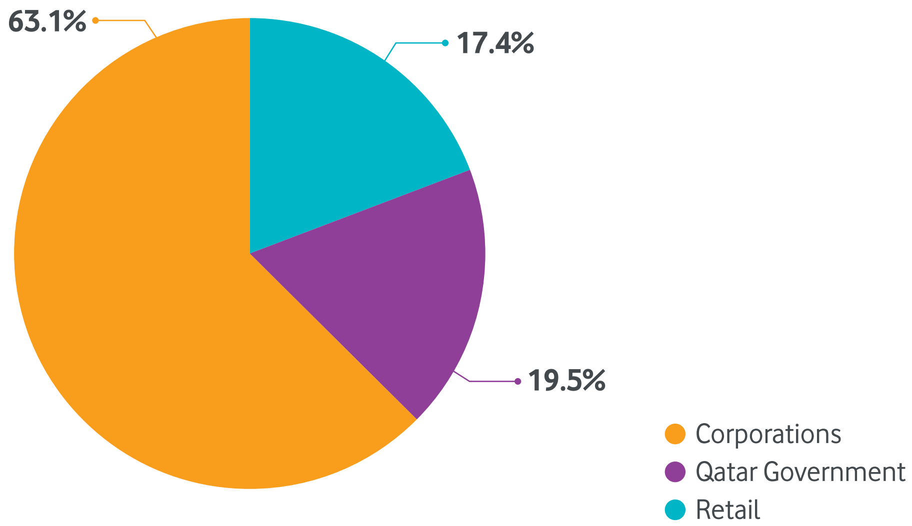
The percentage of shares held by Qatari shareholders (being shareholders, either citizens or entities incorporated in Qatar) fell slightly to reach 92.3% of the Company's share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC) down from 92.5% as at 31 December 2019.

Shares owned by shareholders from other Arab nationalities and other nationalities reached respectively 2.6% (down from 2.7% last year) and 5.1% (up from 4.8% last year) of the Company's share capital.



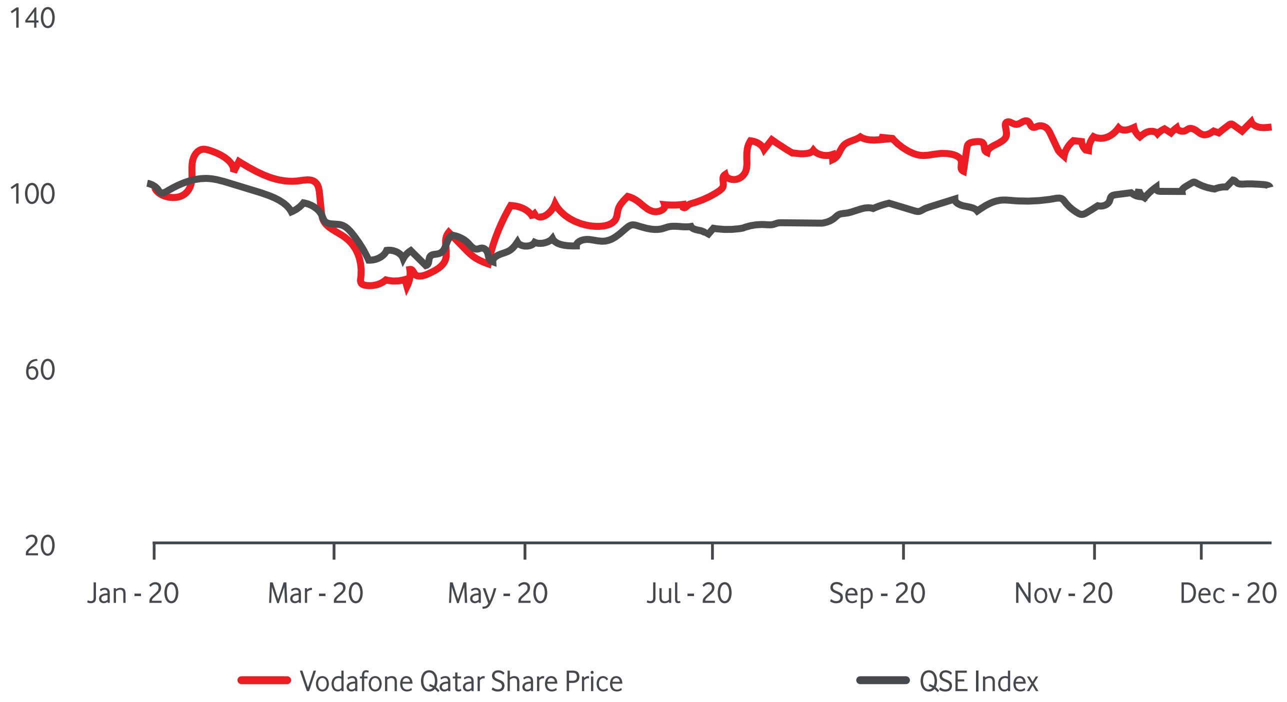
Shareholder Base by Category

On the 31st of December 2020, the percentage of the Company's issued and paid up share capital owned by corporations reached 63.1% (up from 62.5% last year), those owed by the Qatari Government reached 19.5% (up from 19.3% last year) and those owned by Retail shareholders reached 17.4% (down from 18.2% last year).



Share Price Movement

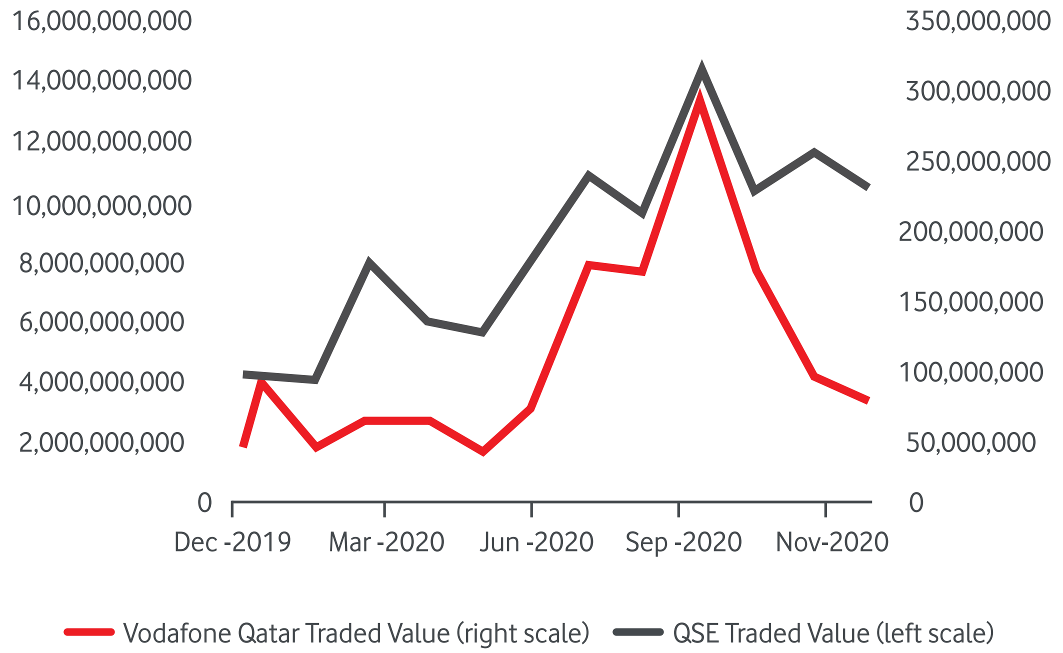
In the financial year ended on December 31st 2020, Vodafone Qatar's share price outperformed the market, increasing by 15.4% to reach QR 1.34 up from 1.16 on the 31st of December 2019.



Share Trading Activity

Traded Value

In December 2020, Vodafone Qatar's monthly traded value reached QR 84.3 million compared to QR 50.8 million in December 2019 (+66%).



Major Transactions

Vodafone Qatar was not involved in any Major Transaction(s) in the financial year ended on December 31st 2020.

Employee Rights

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

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

Corporate Social Responsibility

Vodafone Qatar's relationship with the community it operates in extends well beyond the products and services it offers. The Company's social investments align to its purpose to connect everyone in Qatar to live a better future by building a digital society that enhances socioeconomic progress, embraces everyone and does not come at the cost of our plant.

We are proud of the many social investment initiatives that have benefited a wide segment of society since Vodafone Qatar started operations in 2009, and this year the Coronavirus (COVID-19) pandemic clearly demonstrated the vital role that our connectivity services and products play in society.

For further details, please refer to the Corporate Social Responsibility's section of the annual report.

Social and Sports Fund

Vodafone Qatar is compliant with Qatari law No. (13) for the year 2008 and the related clarifications issued in January 2010 requiring the Company to contribute with 2.5% of its annual net profits to the State Social and Sports Fund. The total amount paid for the financial year 2019 is QR 3.6mn and the total amount accrued for the financial year 2020 is QR 4.6 mn.

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

EXTERNAL AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Independent Assurance Report, to the Shareholders of Vodafone Qatar P.Q.S.C., on the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting.

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over The Board of Directors' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the "Directors' ICFR Report") as of December 31, 2020.

Responsibilities of the directors and those charged with governance

The Board of Directors of Vodafone Qatar P.Q.S.C (the "Company") and its subsidiaries (the "Group") is responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates and judgements that are reasonable in the circumstances.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as at December 31, 2020, based on the criteria established in the Internal Control — Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework").

The Group's assessment of its internal control system is presented by Management to the Board of Directors in the form of the Directors' ICFR Report, which includes:

- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering material business processes and entities in the assessment of Internal Control over Financial Reporting;
- A description of control objectives;
- Identification of the risks that threaten the achievement of the control objectives;
- An assessment of the design, implementation and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation and operating effectiveness of control deficiencies, if any noted, and not remediated at December 31, 2020.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the "Directors' ICFR Report" forming part of the Annual Corporate Governance Report, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as at December 31, 2020.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Directors' ICFR Report is fairly presented. The COSO Framework comprises the criteria by which the Group's Internal Control over Financial Reporting is to be evaluated for purposes of our reasonable assurance opinion.

An assurance engagement to issue a reasonable assurance opinion on the Directors' ICFR Report involves performing procedures to obtain evidence about the fairness of the presentation of the Report. Our procedures on the Directors' ICFR Report included:

- Obtaining an understanding of the Group's components of internal control as defined by the COSO Framework and comparing this to the Directors' ICFR Report;
- Obtaining an understanding of the Group's scoping of significant processes and material entities, and comparing this to the Directors' ICFR Report;
- Performing a risk assessment for all material Account Balances, Classes of Transactions and Disclosures within the Group for significant processes and material entities and comparing this to the Directors' ICFR Report;
- Obtaining Management's testing of the design, implementation and operating effectiveness of internal control over financial reporting, and evaluating the sufficiency of the test procedures performed by management and the accuracy of management's conclusions reached for each internal control tested;
- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management's testing for normal risks of material misstatement; and
- Assessing of the severity of deficiencies in internal control which are not remediated at December 31, 2020, and comparing this to the assessment included in the Directors' ICFR Report, as applicable.

The components of internal control as defined by the COSO Framework are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

We performed procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosure.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity Level Controls, Revenue – Prepaid, Revenue - Postpaid, Revenue – Equipment, Revenue - Others, Procurement, Treasury, Payroll, Fixed Assets, Financial reporting and disclosures, Operating expenses, Cost of sales and Information Technology Controls.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgement including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, reperformance and inspection of evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the fairness of the presentation of the Directors' ICFR Report.

Meaning of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Because of the inherent limitations of Internal Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, Internal Control over Financial Reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the Internal Control over Financial Reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion the Directors' ICFR Report forming part of the Annual Corporate Governance Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of December 31, 2020.

Doha – Qatar
February 02, 2021

For **Deloitte & Touche**
Qatar Branch

Walid Slim
Partner
License No. 319
QFMA Auditor
License No. 120156

BOARD OF DIRECTORS' ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

General

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

We have conducted an evaluation of the design, implementation and operating effectiveness of internal controls over financial reporting as of 31 December 2020, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The Group has excluded Infinity Payment Solutions LLC and Infinity Solutions LLC (together called the "Subsidiaries") from the assessment of ICFR as of 31 December 2020 since these do not have any material impact on Group's consolidated financial statements as at and for the year ended 31 December 2020. Infinity Payment Solutions LLC is yet to commence its commercial operations and had total assets amounting to QAR 10 million as of 31 December 2020 and no transactions during the year then ended. Infinity Solutions LLC contributes less than 1% to the consolidated revenue and net profit of the Group for the year ended 31 December 2020.

The Company's auditor, Deloitte and Touche – Qatar Branch, an independent accounting firm, has issued a reasonable assurance report on the Group's assessment of ICFR.

Risks in Financial Reporting

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

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

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

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

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

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

Controls to Minimize the Risk of Financial Reporting Misstatement

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

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

Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2020, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICFR considering:

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

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

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Treasury, Human Resources & Payroll, Fixed Assets, Inventory, Revenue & cost, General Ledger and Financial Reporting. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls. As a result of the assessment of the design, implementation, and operating effectiveness of ICFR, management did not identify any material weaknesses and concluded thatICFR is appropriately designed, implemented, and operated effectively as of 31 December 2020.

This report on Internal Control over Financial Reporting was approved by the Board of Directors of the Group on 02 February 2021 and were signed on its behalf by:

Abdulla Bin Nasser Al Misnad
Chairman

Rashid Al-Naimi
Managing Director

03.

Executive Management Team

Sheikh Hamad Abdulla Jassim Al-Thani

Chief Executive Officer (CEO)

Sheikh Hamad serves as Vodafone Qatar's Chief Executive Officer where he is responsible for the overall creation, implementation, and integration of the long-range strategic, financial, commercial and operational direction of the Company.

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

During his tenure in this role, Sheikh Hamad focused on ensuring the company provided its customers with the best services through successful execution of a number of projects and programmes. These included Customer Experience and Operational Excellence and employee related programmes that achieved best practices, in addition to playing a key role in helping to shape the regulatory environment in the State of Qatar.

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

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

Khames Mohammed Al Naimi

Chief Human Resources Officer (CHRO)

Khames Al Naimi joined Vodafone Qatar in May 2018, bringing years of experience delivering human resources management programmes and services in leading Qatari organisations. Previously, he worked as the HR Director for the Supreme Committee for Delivery and Legacy. He has extensive experience working with the Qatar Foundation and Dolphin Energy Ltd.

Education

MA, Strategic Business Management – HEC Paris
BSc, Business Administration – Applied Science University

Diego Camberos

Chief Operating Officer (COO)

Since joining Vodafone Qatar in March 2017, Diego Camberos has led a company-wide commercial, operational, brand and digital transformation. Under his leadership, Vodafone has delivered 12 consecutive quarters of YoY revenue growth; the strongest performance to date. This has helped elevate brand equity, with Vodafone now ranked as a Top 5 Brand in Qatar. Previously, as CEO of Tigo-Millicom Senegal, Diego turned around the company from a negative trend of -10% yearly to 20% growth in less than 2 years. In Rwanda, he led the company to acquire 35 percent market share in his first two years of operations. He has held numerous other management positions across Latin America, including with McDonalds, Comcel and Viva.

Education

MA, Business Administration – University of Los Andes (Columbia)
BA, Economics and International Studies – University of South Carolina (United States)

Brett Goschen

Chief Financial Officer (CFO)

Brett Goschen was appointed CFO in August 2017, bringing 30 years of regional experience and financial acumen to Vodafone Qatar as a certified chartered accountant. Previously as CFO and Executive Director for MTN Group Limited, Brett oversaw finance in 22 operating countries across the Middle East and Africa. His management experience is as broad as his geographic reach with CEO roles for organisations including MTN Nigeria Communications Limited, MTN Ghana, Autopage Cellular and Digicel.

Education

Chartered Accountant (South Africa)
Certificate, Advanced Management – INSEAD (France)
B.Comm Honours, Accounting Science – University of South Africa (South Africa)
B.Comm, Accounting – University of Natal (South Africa)

Ramy Boctor

Chief Technology Officer (CTO)

Since joining Vodafone Qatar in February 2014, Ramy Boctor has led the launch of our 4G, 4G+ & 5G network. Under his leadership, the performance of Vodafone Qatar's network has improved year and year as reflected in the independent results of industry audit conducted by the Communications Regulatory Authority ("CRA"). In 2020 Vodafone doubled fibre deployment and home connections in Fixed Network. Previously, Ramy was CTO at Mobilink where he was renowned for improving tech performance with underperforming teams and rolling-out innovative solutions.

Education

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

04.

Corporate Social Responsibility

SOCIAL INVESTMENT

Vodafone Qatar is acutely aware that the private sector shoulders a huge responsibility to the community it operates in. The Company's social investments align to its purpose to connecting the people in Qatar and help them lead a better future by building a digital society that enhances socioeconomic progress and adheres to Vodafone Qatar's leading social responsibility programme.

For that reason, the company takes pride in its several social investment initiatives that have benefited a wide segment of society since Vodafone Qatar started operations in 2009. This year, the Coronavirus (COVID-19) pandemic demonstrated the vital role that our connectivity services and products play in society.

Highlights of 2020 include:

BUILDING AND MAINTAINING RESILIENCE AMID COVID-19

From the onset of the pandemic, Vodafone Qatar was quick to respond to the unprecedented crisis and rally behind national initiatives and ensure the most vulnerable communities received high-level support.

In light of this, all data usage charges have been waved for using Ehteraz, Qatar's COVID-19 risk detector app. During the pandemic, Vodafone sent out more than 4 million health awareness messages to the country's national manpower and provided bundles of free data to facilitate the process of training for workers and employees to become health ambassadors in their communities. The training was supervised and implemented by the Ministry of Transport and Communications and the Ministry of Public Health.

To facilitate remote learning, children under the care of the Orphan Care Centre (Dreama) and Protection Social Rehabilitation Centre (AMAN), were provided with high speed 5G internet connections, laptops and tablets. In addition, under the umbrella of a new partnership with the Education Above All Foundation, 1000 free Mi-Fi devices and data have been given to financially disadvantaged pupils enrolled in the local Assalam Schools.

The adverse socio-economic impact resulting from the pandemic has impacted many and put vulnerable communities at more risk, making the yearly activities during the holy month of Ramadan even more important. During Ramadan, the Company donated QR 140,000 to Qatar Charity's Food Baskets program that helped low-income families and labour workers unable to meet their daily nutritional needs. Similarly, Vodafone donated QR 100,000 to Qatar Red Crescent that went towards their Ramadan Iftar program. Education Above All Foundation also received a donation of QR 130,000 to ensure children of low-income families have equal access to education.

INCLUSION FOR ALL

'Inclusion for All' is Vodafone Qatar's key corporate social responsibility pillar – it is a commitment towards bridging the divides that exist and helping people equally contribute to the society through the technological tools we provide.

In keeping with this vision, the 'Vodafone for All' programme continues to provide people with disabilities and retired citizens with a 50% discount on Vodafone plans and a 10% discount on selected handsets with accessibility features.

Vodafone Qatar also prides itself for all of its flagship stores are staffed with retail advisors poised to communicate using sign language. Building on the sign language training delivered by the Qatar Society for Rehabilitation of Special Needs in 2019, retail staff were given refresher training in the use of customer service and telecoms-related signs.

DIGITAL LITERACY

AmanTECH, Vodafone Qatar's award-winning online safety program provides children, parents and teachers with the tools they need to safely navigate the digital world. As the world moves into a 100% connected society, the need for training in online safety has never been more pressing. Accordingly, Vodafone Qatar remains dedicated to educating young people and others on the online risks to ensure that the internet and social media can continue to play a positive role in society.

At the beginning of the year, the Company engaged more than 5000 school children at the Tarsheed Carnival organised by the Qatar Water & Electricity Corporation (KAHRAMAA). Through the AmanTECH Augmented Reality (AR) game, the children learnt about online safety through four interactive fun activities. The activities promoted user-friendly do's and don'ts and pointers on creating a strong password, preventing cyberbullying, identifying fake messages and protecting personal information on the internet, and how to safely share photos and information on social media.

EASY DONATIONS

Launched in 2017, "Easy Donations" is a monthly recurring charitable donation service for Post-paid customers.

Customers are able to select a monthly donation amount between QR 100 and QR 300 to go to one or both of the participating charity organizations Qatar Charity and Qatar Red Crescent. The selected charity receives one hundred percent of the donated amount. No additional fees are applied to either the customer or the charity organisation. In 2020, Easy Donations helped raise over QR 135,000.

05.

Review of the year, financial & operational highlights

THE BRAND

In many ways, this year has been a life-changing one for individuals, societies, and businesses alike. During 2020, our brand purpose was put to the test across all facets of every-day life, where staying connected became one of the ultimate priorities for every household and business alike. In response to the challenges,

"we stood alongside our customers under the motto 'We're in this together' and responded to all their needs, using technology to bridge the physical gap between us."

Following the various restrictions and preventive measures such as social distancing, digital connectivity provided the safest and secure way to connect and maintain human connection. With our extensive fibre to the home reach, when the pandemic hit, we were able to ensure that households could connect to the internet and enjoying access to digital services through GigaHome.

To support our customers through this trying time, we extended our GigaHome '3 months on us' offer. In addition, we doubled the GigaHome fibre speeds for our customers when remote connectivity became essential for distanced learning and working from home.

As part of our continuous efforts in combating impacts of the pandemic, we re-designed and digitized our services so that all transactions could be carried out electronically and delivered directly to our customers. Since most of our stores had to remain closed in the initial phases, we partnered and collaborated with various channels to establish and expand direct access to all of our services. As the government's restrictions on physical interactions and business activity began to ease up, we responded to customers' aspirations to be in full control of their Postpaid plans – to use what they need when and where they need it. We launched the "U Plan" platform in September and allowed users to re-design their Postpaid plans to suit their needs. For the first time in Qatar, customers are now empowered to allocate the amount of data and calls they need each month without being restricted to pre-determined data and call allowances.

"Our GigaNet 5G network has been 100% 5G ready for over two years now,"

and customers with any 5G-enabled device can experience GigaFast 5G speeds and enjoy seamless and wide 5G coverage across Qatar. Towards the end of 2020, we launched our GigaNet 5G network campaign, inviting customers to experience GigaNet 5G as a result of the adoption by consumers of 5G enabled devices in the market.

This year, more people relied on the power of our network to stay connected, and as a brand, Vodafone Qatar has been able to partner with the nation to provide a seamless and instant connection anytime and anywhere. Our purpose of connecting for a better future was tested, proven and is now more relevant than ever as we continue to help people and society pioneer their ambitions and support human ability to bring the true magic of connectivity to life through the power of technology. Indeed #WeAreInThisTogether.

GETTING CLOSER TO OUR CUSTOMERS

Retail footprint and experience

Leading in retail means efficiently expanding our footprint to be closer to our customers, being strategically present across the country and offering an unparalleled customer experience. Today, we have 27 retail stores across Qatar, and we plan to continue expanding our scope of operations and market share within the country. Despite the inherent challenges, in December 2020 we opened a new store at Doha Festival City, Qatar's most popular mall. Each one of our stores takes customers on a branded journey where they experience the quality, convenience, transparency, simplicity, and the reliability of Vodafone's products & services.

The pandemic undoubtedly had an impact on our overall operations and services. However, we quickly came up with a methodical business contingency plan to ensure we could continue to meet, if not exceed, the service and quality expectations of our customers. This included

"opening 53 additional kiosks and partnering with key retail channels to enable our customers to enjoy Vodafone's full range of services,"

despite the logistical difficulties posed by the various restrictions. We also assigned a special task force to oversee that our service distribution reached all key areas within Qatar, including the industrial area that was subjected to strict lockdown rules.

All open stores and kiosks followed the strictest health & safety guidelines and implemented the precautionary measures necessary to guarantee the wellbeing of both customers and employees. Sanitizers, face-masks and gloves were made available to, and used by, all customers and employees, on top of temperature checks and social distancing that was enforced within all Vodafone premises.

For customers isolating, we partnered with Talabat to give them the ability to order recharge cards delivered to their doorsteps and to enjoy the convenience of being able to pay their bills from the safety of their homes.

Retrospectively, we were able to provide our customers with a better service experience in 2020, by focusing on following three prime initiatives:

1. **Stores on Wheels:**

   We launched the mobile store service, Stores on Wheels, to reach customers across a larger area of operation, and better satisfy and adapt to constant changes in demand. Our Stores on Wheels are fully branded and have qualified advisors to assist customers and offer a range of services such as Postpaid, Prepaid & MBB plans, migrations, SIM swap, and bill payments.

2. **Expanding our services to the mass market:**

   As a telecommunications company, outreach and coverage are integral to our brand identity. Thus far, we have created 400 mass-market outlets giving post-purchase sale services to customers. In 2020, our electronic top-up recharge and Postpaid bill payment services reached the 1,500 outlets mark through the Vodafone's Dealer Application. Moreover, we partnered with Qatar Islamic Bank (QIB) and QPAY International LLC, one of Qatar's largest financial technology (FinTech) service providers, to make our electronic recharge and bill payment services available via their QIB select Point of Sales (POS) machines, located at more than 350 locations across Qatar.

3. **Expanding our digital footprint to Doha Metro Stations:**

   The Qatar Rails project is currently at the forefront of innovation and development in the country with thousands of people using the metro for their daily transportation needs. Our Self Service Machines (SSMs) are now conveniently available for commuters in 4 Doha Metro Stations- Msheireb, Umm Guwalina, West Bay, and Wakrah.

INNOVATION THROUGH RESPONSIBLE DATA ANALYTICS

Vodafone Qatar continues to evolve as one of the leading users and now providers of Big Data and advanced analytics in Qatar. In 2020, we have taken our internal expertise and investment in technology in this area and launched, for the first time in Qatar, a range of Big Data and advanced analytics solutions and services for governmental and corporate organizations in the country. We are delighted that Qatar National Tourism Council, one of the key organizations that play a major role in delivering one of the pillars of Qatar National vision 2030 has chosen Vodafone to provide them with Big Data & Advanced Analytics solutions.

"Privacy and data security are always our highest priority;"

ever since our privacy policy was updated in Q4 2019, we have continued to see that by placing this above all other commitments, our customers feel secure and confident to work with Vodafone Qatar as we enter an age where the areas of digital communications and Big Data are rapidly evolving on a global scale. Vodafone Qatar is committed to exceeding customer expectations in this area and strives to go beyond meeting our legal obligations to protect and secure customer data. We place the highest possible value in this aspect of our business.

WE CARE 2020

Throughout 2020, we focused on digitization and prioritizing customer experience. The "Digital Vodafone" programme, along with Experience initiative "CARE" enabled us to deliver a leading digital customer experience, leverage the latest data analytics techniques, automate and simplify our operations and adopt new agile ways of working. With **CARE**, we ensured our customers were **C**onfidently connected, **A**lways received excellent service, were **R**ewarded for their continued loyalty, and could **E**asily access all our channels.

"The pandemic has given rise to the majority of customers preferring to interact through our digital channels."

These channels provide customers with a wide range of digital-only products and services, in addition to other benefits such as completing transactions in a more convenient manner. This was aided by the availability of critical features such as 'save your card', 'payment e-receipt' and 'recharge from credit balance'. The introduction of the "My Vodafone Portal" also enabled the concept of 'self-service', and with new features continually being added to the portal will allow us to deepen our experience initiatives.

Moreover, our accelerated fixed fulfilment momentum ensured homes were always connected without any disruption. This allowed us to broaden our horizons and reach new customers.

In 2021, we will further accelerate the pace towards our digital transformation journey, mainly by focusing on scaling up real-time and personalised offers, deploying artificial intelligence, and radically simplifying the access and use of our services while continuously focusing on optimizing the customer experience.

GIGANET - ENABLING CUSTOMERS TO CONNECT TO A BETTER FUTURE

Our GigaNet network is the foundation of our products and services. We enable a Gigabit society where everything and everyone is instantly connected whenever and wherever they are. We are committed to enabling business success and sustainability in a constantly changing digital world. In 2019, to meet the growing demand for data and digital connectivity solutions, we made major investments to upgrade our network and IT systems, to provide our customers with a secure and reliable network across Qatar. In 2020, significant additional investments were made as follows:

Further expanded 5G to propel Qatar's economic growth and provide businesses and individuals alike with access to the latest 5G technology. We expanded our 5G connected sites to include Hamad International Airport, the first airport in the region with 5G; Mall of Qatar, one of the first malls in the region with 5G; several hotels including Msheireb, Park Hyatt and Mandarin Oriental; in addition to dozens of residential locations including Al Waab, Umm Salal, Al Rayyan, Gharaffa, Abu Hamor, Mamoura, Al Sadd, Bin Mahmoud, Muntazah, Bin Omran, Madinat Khalifa, Al Aziziyah and Msheireb. Outside the capital Doha, Vodafone 5G is in Al Khor, Al Wakra and several camping areas in Sealine.

Expanded and almost doubled our fibre network to reach more business and home customers, giving them a resilient and secure digital connection across Qatar. This expanded and secure connectivity ensured we kept more customers confidently connected, especially during the COVID-19 disruptions that imposed a new normal for work, learning and life in general.

Extended our mobile coverage deploying more active mobile sites, an additional 25% to our network towers and coverage points.

Increased our Core Data Centres by 50% and introduced a third data centre for our Data core network enhancing our capacity efficiency and promoting resilience.

Expanded our private cloud technology to modernize data core network that allows our customers to benefit from our network scalability, resilience and efficiency, giving them unmatched data experience on Vodafone's GigaNet Network.

Network Performance

Independent Network Performance Audits. Our investment in network modernization has paid off with positive results recognised by both local and international institutions. In the Communications Regulatory Authority (CRA) Quality of Service Audit Report published in June 2020, Vodafone's GigaNet network showed outstanding performance, continuing year on year improvement.

> **"We are proud of the improvements in our network availability and stability."**

Innovation - To maintain our competitive edge and support Qatar's 2030 National Vision, we are running trials for the introduction of Artificial Intelligence and Machine learning advanced techniques in network operations.

Cybersecurity

Our network expansion, exponential data demand locally and globally, and an ever-growing digital connected universe continues to impose cybersecurity demands for our business and customers. We, therefore, continue to invest in upgrades and modernization of our cyber defence systems with the latest state-of-the-art technologies.

PROVIDING MORE TO ENTERPRISE CUSTOMERS

The pandemic has had a tremendous impact on Qatar's various sectors – businesses, employees and customers had to quickly adapt to the changes in how they run their business, work and even receive services. The power and capacity of our digital connectivity solutions were tried and tested, keeping our customers connected throughout the crisis. Our technical and support teams ensured our essential communications services were available to customers so they can stay connected when they most needed it reaffirming our commitment to being businesses trusted digital services provider.

The pandemic accelerated many businesses and institutions' need to upgrade the digital infrastructure and technologies they had in place with solutions such as Unified Communications and collaborations (UCs), Virtual Private Networks (VPNs), and cloud capabilities, to enable remote working and learning.

Moreover, the Company supported its enterprise customers across all sectors ensuring they had the right digital technology at the right time. Vodafone's connectivity solutions enabled employees to work safely and secure remotely by connecting to cloud apps via their respective office networks, while our cloud services and co-location services offered the level of security they need.

In 2020, we achieved the following enterprise milestones:

Vodafone Fibre footprint expansion: We increased our fibre footprint, now reaching more business areas, allowing us to connect a higher number of new customers than the previous year. Our state-of-the-art high-speed fibre is now connecting and enabling enterprises to optimize, automate, and innovate using Vodafone's GigaNet Fibre.

Strategic partnership with TASMU Innovation Lab: We partnered with the Ministry of Transport & Communications (MOTC), giving researchers the ministry's TASMU Innovation Lab access to the latest technologies and solutions. TASMU Innovation Lab is part of the TASMU program, an MOTC initiative that creates an enabling and collaborative environment for innovation and technological development. As one of the strategic partners of TASMU Innovation Lab, Vodafone Qatar will support and empower visitors who may benefit from the company's technologies and capabilities.

Partnership with Microsoft on collaborative solutions for remote businesses: Our partnership with Microsoft is focused on promoting digital services and support for businesses of all sizes to work confidently & securely remotely. The partnership includes a set of workplace solutions to work and collaborate remotely through Microsoft 365, including Microsoft Teams.

Launched the My Vodafone Portal for businesses to digitally manage their services: A self-service tool for businesses of all sizes.

Partnership with Qatar Rail: We partnered with Qatar Rail to launch a public Wi-Fi service on the Doha Metro Red, Green and Gold Lines, providing passengers with internet access in all stations and onboard the trains.

Launched Social Wi-fi Solution: To offer our customers innovative digital solutions, we launched the Social Wi-Fi service to help hotels, restaurants, cafes, gyms, salons, and all businesses alike to transform their free guest Wi-Fi into a powerful tool to understand, engage, and offer a better experience to their customers.

Launched GigaTV for businesses: GigaTV service has been made available for public viewing to enable hotels, restaurants, cafes, gyms, salons, and various businesses to offer a unique experience to their customers and visitors. The internet-based GigaTV is being offered for free for public viewing with any Vodafone Business Broadband subscription.

Launched Fixed Number Portability: As part of offering customers in Qatar flexibility to switch operator and still keep their existing fixed numbers, we launched Fixed Number Portability (FNP). FNP makes it easy for business customers to choose and benefit from Vodafone's wide range of tailored solutions, without disruption to their fixed-line service and business.

Launched Vodafone Sharek plans: A new innovative concept that offers small and medium-sized enterprises (SMEs), for the first time, a way to design their own mobile plans and easily distribute benefits to their employees via the My Vodafone App whenever they want.

Partnership with KAHRAMAA: We partnered with Qatar General Electricity & Water Corporation (KAHRAMAA) to digitalise Qatar's utilities industry, with smart meters powered by the Internet of Things (IoT) rolling out nationwide. A total of 600,000 smart meters will be installed to substitute manual readings.

Vodafone powers New Loop Scooters with IoT: Vodafone Qatar is supporting an innovative new Qatari start-up, Loop Mobility, with the IoT) to power its smart scooter sharing service. The Company tailor-made the IoT solution to fit Loop's requirements for rolling out hundreds of electric scooters in Doha that are available for use by anyone.

OUR PEOPLE AND CULTURE

In a defining and challenging year like 2020, our employees proved once more that they are one of the main pillars of our company's success. Their commitment and agility delivered a great network performance and outstanding customer experience, ensuring that businesses, individuals and families were confidently connected as the pandemic introduced a new normal.

The Vodafone Way underpins the Company's culture and purpose, which at its core focuses on three principles: speed, simplicity, and trust. We want our people to respond swiftly and effectively to challenges and opportunities, especially those that affect our customers. Avoiding unnecessary bureaucratic, costly, and cumbersome internal processes is a priority. The Company's culture ensures business activities and decisions recognise the importance of earning and retaining the trust of our customers, employees, and stakeholders.

The Company's leaders foster a culture where communication, teamwork, and trust come together to enable great outcomes. It is this culture that continues to drive innovation across our business.

Attracting and developing great people

Building a solid base of future leaders is critical for the sustainability of our organization, which is why in 2020, we continued hiring Qataris in our Discover Graduate Programme and Internship programme despite the challenges posed by the pandemic. Due to the current circumstances, Vodafone designed a hybrid internship to give students the flexibility to work on projects in the office and remotely. The programme created a valuable opportunity for the interns to build a professional network while learning the in-demand skills that will enhance their future employment prospects.

Vodafone attended various career fairs in the first quarter of this year to identify the 'next generation' of Vodafone leaders and hiring the best talent from universities. We have also made great strides over the year to increase the number of Qataris in the company.

Our Youth programme is part of our Qatarization initiative, which is an integral part of Qatar's 2030 National Vision that is aimed at developing the Qatari workforce through education and training. This is a fundamental part of our organization's transition towards adopting a business strategy that optimally utilizes the productive capabilities and creative insights that young people have to offer.

"Since our human capital is our biggest asset, it is within our aims to develop future talent and build key capabilities within the business,"

bringing creativity and innovative digital solutions to life."

As such, we made sure to remotely continue building the capacities and improving the skills of our existing employees, using all the virtual mediums, applications and technologies currently available. Furthermore, considering that the telecommunications industry was undergoing constant changes, we also used all the means available to us to attract new talent and excel in this rather crucial period of the market's cycle.

Recognising performance

Our reward programme is one of the leading HR programmes in Qatar and a core part of our retention strategies. We reward people based on their performance, potential, and contribution to our values and success. To maintain compliance with our fair pay standards, we regularly benchmark and monitor our pay practices on a regional and industrial level. This ensures that our pay practices, including retirement and other benefit provisions, are:

- Compliant with all local legislation
- Free from discrimination
- Market competitive
- Easily understood

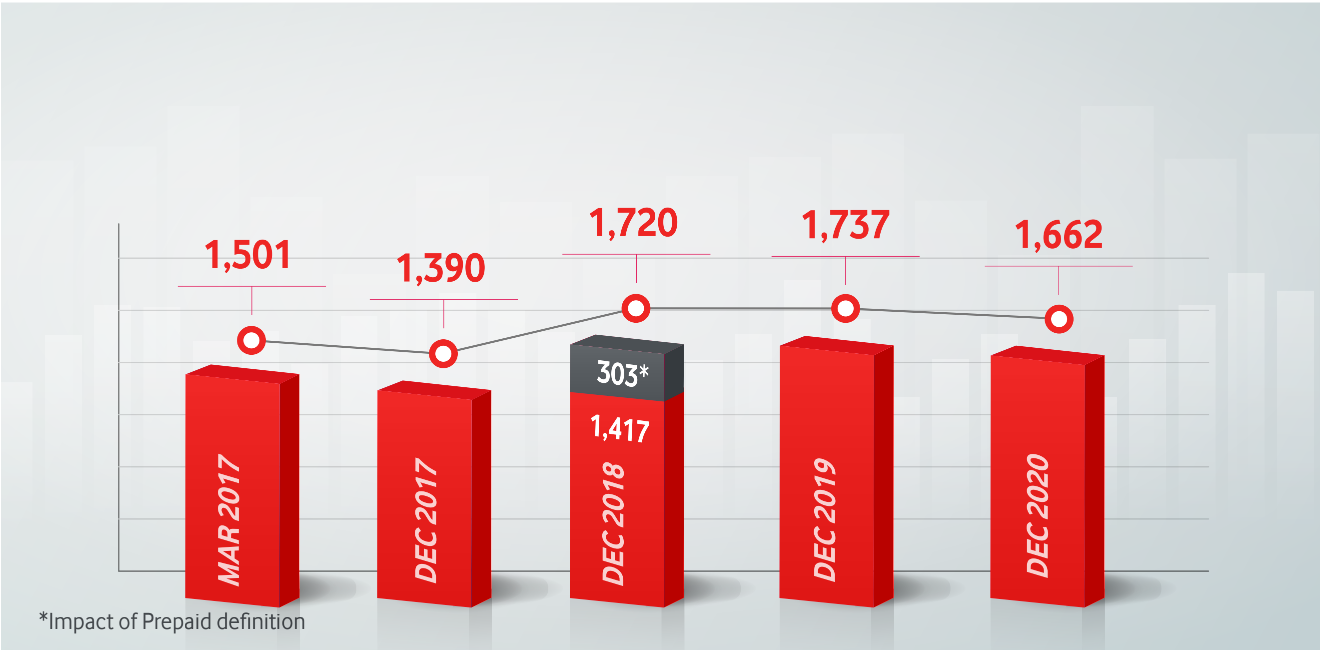
Global short-term incentive plans are offered to a large percentage of employees. Senior managers are eligible for global long-term incentive plans. Our arrangements are subject to company-level and individual performance metrics.

Creating a safe place to work

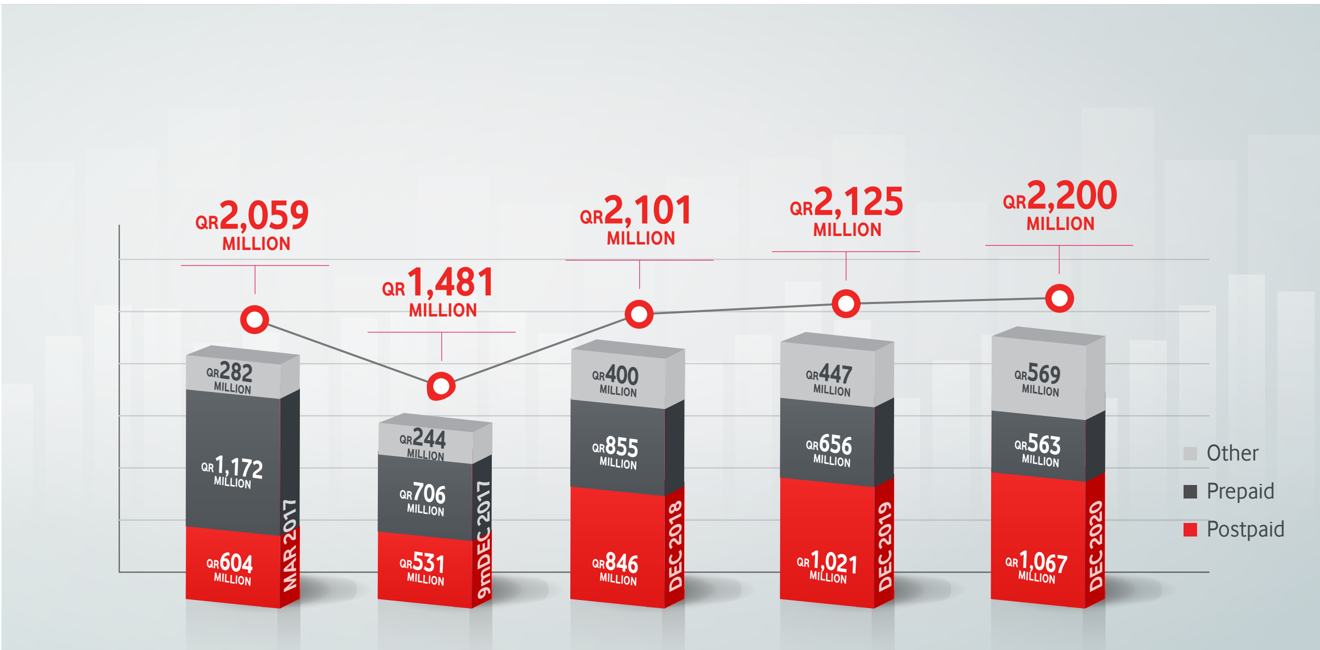
The health & safety and wellbeing of our partners and suppliers have always been and will continue to be our top priority. That being said, Vodafone Qatar was keen on adhering to its responsibility by integrating health and safety rules in the Company's core values. Accordingly, the management team led by example and conducted visits to different locations every quarter, to ensure that health & safety protocols were in place. Such initiatives have helped instil a culture of attentiveness, thereby encouraging our partners to recognize and live by the same standards.

Financial & Operational Highlights

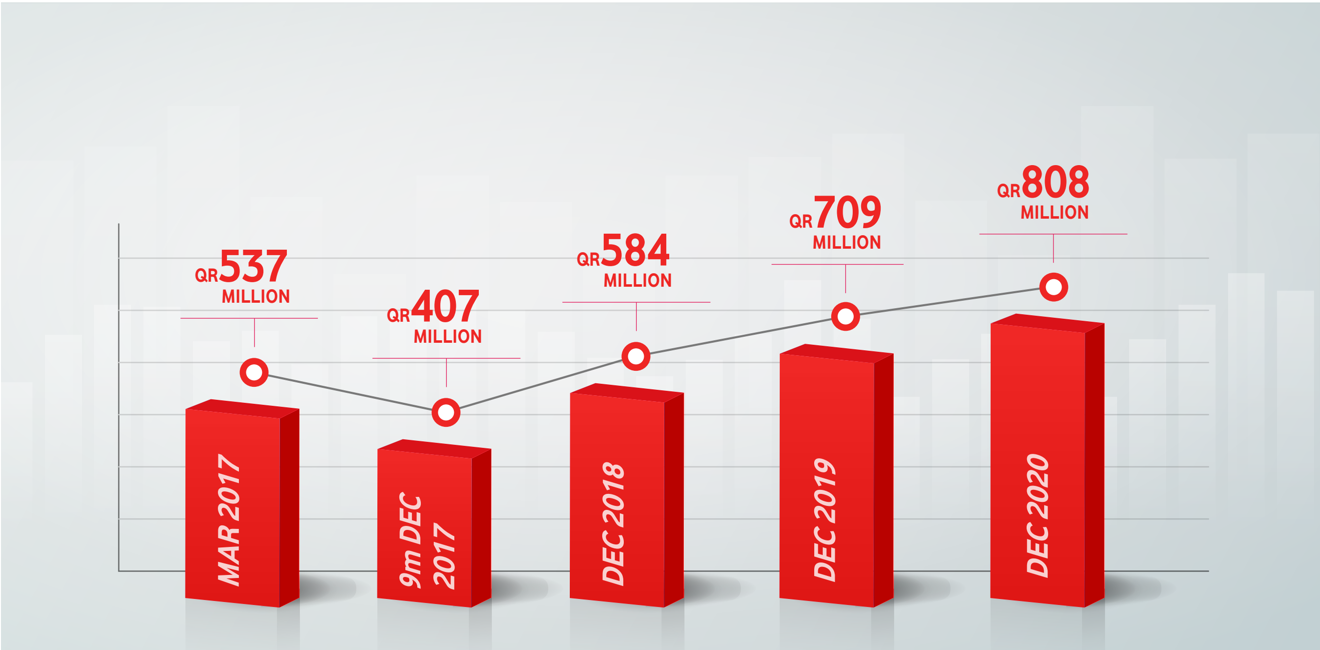
Mobile Customer (000)



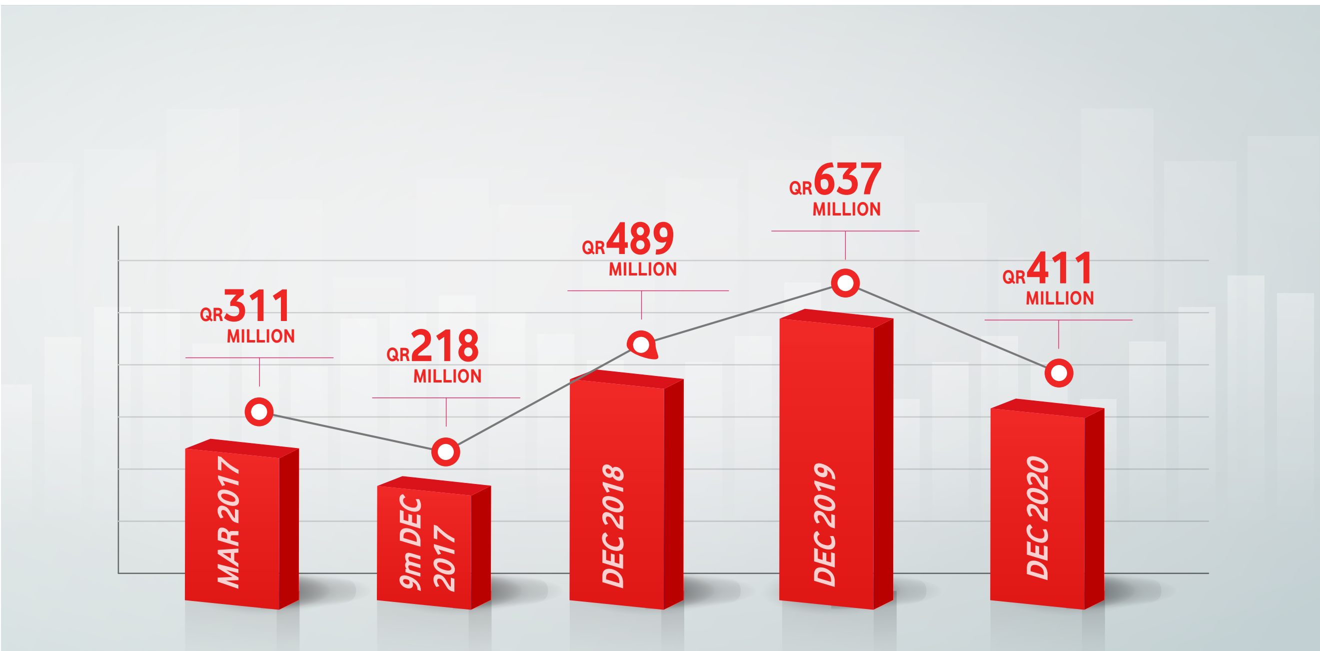
Revenue



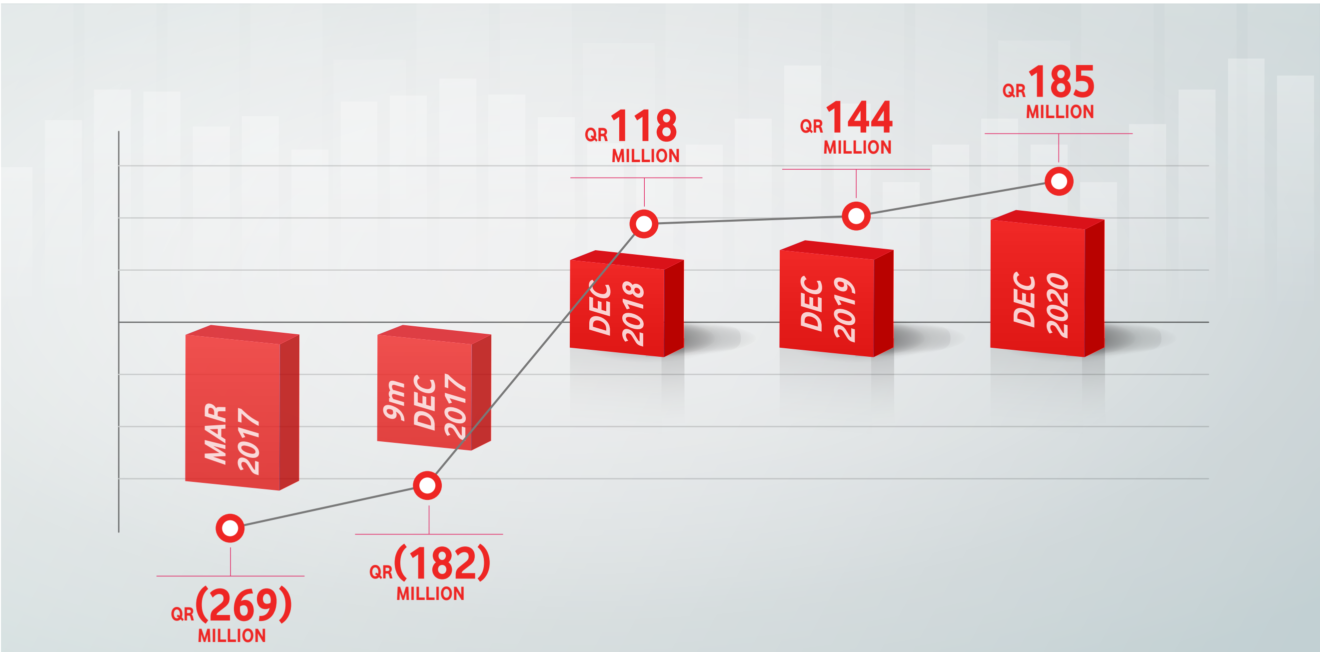
EBITDA before Industry fee



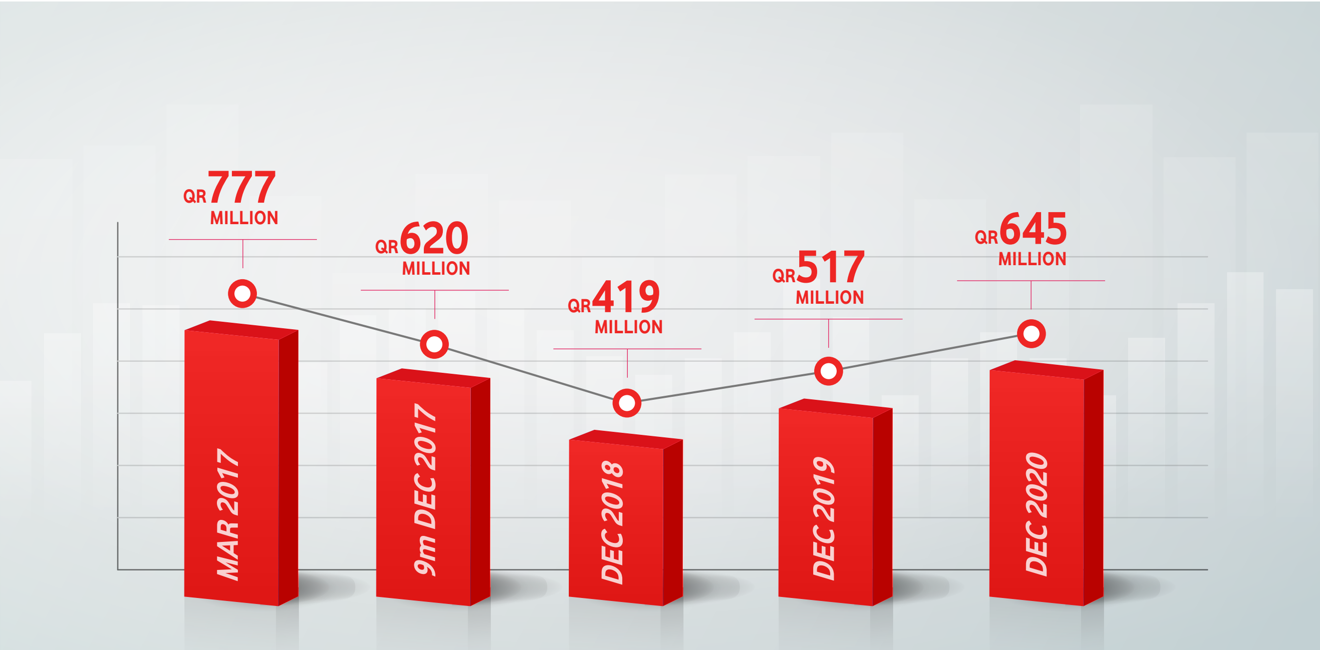
Capital Expenditure



Net Profit / (Loss)



Net Financing Position



06.

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

QR. 99-8

RN: 1597/BH/FY2020

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vodafone Qatar P.Q.S.C (the "Company"), and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
Accuracy of revenue recognition and controls around IT subsystems	
The Group reported revenue of QR. 2,199,624 thousand from telecommunication and related activities. There is an inherent risk around the accuracy of revenue recognised given the complexity of the systems and business products and services. Complex IT systems are used in processing large volume of data through a number of different systems and consequently this matter has been identified as a key audit matter. The following notes to the consolidated financial statements contain the relevant information related to the above discussed matters: Note 3 – Significant Accounting Policies Note 5 – Revenue Note 28 – Critical Accounting Judgments and Key Sources of Estimation Uncertainty	Our audit approach included a combination of test of controls and substantive procedures, in particular, the following: • Understanding the significant revenue processes and identifying the relevant controls, IT systems, interfaces and reports; • Understanding the control environment and testing the general IT controls over the main systems and applications involved in the revenue recording process. In doing so, we involved our IT specialists to assist in the audit of IT controls. • Evaluating the design and testing the operating effectiveness of automated controls in the IT environment in which the core network and related systems reside, covering pervasive IT risks around access security, change management, data center and network operations; • Performing substantive audit procedures on significant revenue streams including analytical procedures, reconciliation procedures and/ or test on the accuracy of customer bills on a sample basis, as applicable; • Assessing the appropriateness of the Group’s accounting policy and the compliance of revenue recognized therewith. • Assessing the overall presentation, structure and content of revenue related disclosures in notes 3, 5 and 28 to the consolidated financial statements to determine if they were in compliance with the requirements of IFRSs.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies Law, and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

> Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

> Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies Law, we report the following:

> We are of the opinion that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the director’s report are in agreement with the Group’s financial statements.

> We obtained all the information and explanations which we considered necessary for our audit.

> To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company’s Articles of Associations were committed during the year which would materially affect the Group’s consolidated financial position or its consolidated financial performance.

Doha – Qatar
February 2, 2021

For **Deloitte & Touche**
Qatar Branch

Walid Slim
Partner
License No. 319
QFMA Auditor License
No. 120156

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2020

	Notes	Year ended 31 December	
		2020	2019
		QR'000	QR'000
Revenue	5	**2,199,624**	2,124,513
Interconnection and other direct expenses	6	**(759,363)**	(804,604)
Network, rentals and other operational expenses	7	**(403,951)**	(383,742)
Employee salaries and benefits		**(228,298)**	(227,189)
Depreciation of property, plant and equipment	12	**(261,531)**	(227,194)
Amortisation of intangible assets	13	**(178,375)**	(175,764)
Depreciation of right-of-use assets	18	**(98,965)**	(85,487)
Industry fee	10	**(21,054)**	(18,086)
Operating profit		**248,087**	202,447
Finance costs	22	**(39,609)**	(33,719)
Other financing costs	8	**(25,063)**	(28,708)
Other income	9	**1,676**	3,655
Profit for the year		**185,091**	143,675
Basic and diluted earnings per share (in QR per share)	11	**0.044**	0.034

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Profit for the year	**185,091**	143,675
Other comprehensive income	**-**	-
Total comprehensive income for the year	**185,091**	143,675

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	31 December 2020 QR'000	31 December 2019 QR'000
Non-current assets			
Property, plant and equipment	12	**1,646,698**	1,483,774
Intangible assets	13	**4,279,612**	4,471,288
Right-of-use assets	18	**371,621**	358,339
Trade and other receivables	14	**29,720**	36,641
Total non-current assets		**6,327,651**	6,350,042
Current assets			
Inventories	17	**21,848**	38,001
Contract assets	15	**22,003**	34,859
Contract costs	16	**3,023**	5,012
Trade and other receivables	14	**280,064**	366,957
Cash and bank balances	19	**174,854**	303,198
Total current assets		**501,792**	748,027
Total assets		**6,829,443**	7,098,069
Equity			
Share capital	20	**4,227,000**	4,227,000
Legal reserve	21	**76,334**	62,881
Retained earnings		**185,257**	229,592
Total equity		**4,488,591**	4,519,473
Non-current liabilities			
Loans and borrowings	22	**615,000**	820,000
Provisions	23	**72,092**	122,111
Lease liabilities	18	**282,704**	253,288
Trade and other payables	24	**84,535**	107,074
Total non-current liabilities		**1,054,331**	1,302,473
Current liabilities			
Loans and borrowings	22	**205,000**	-
Lease liabilities	18	**112,727**	120,837
Trade and other payables	24	**968,794**	1,155,286
Total current liabilities		**1,286,521**	1,276,123
Total liabilities		**2,340,852**	2,578,596
Total equity and liabilities		**6,829,443**	7,098,069

These consolidated financial statements were approved by the Board of Directors on 02 February 2021 and were signed on its behalf by:

Abdulla bin Nasser Al Misnad
Chairman

Rashid Fahad Al-Naimi
Managing Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share capital	Legal reserve	Retained earnings			Total equity
			Distributable profits	Accumulated losses	Total	
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance as at 1 January 2019	4,227,000	51,493	396,314	(84,067)	312,247	4,590,740
Profit for the year	-	-	-	143,675	143,675	143,675
Total comprehensive income for the year	-	-	-	143,675	143,675	143,675
Transfer to distributable profits (note 21)	-	-	227,768	(227,768)	-	-
Transfer to legal reserve (note 21)	-	11,388	(11,388)	-	(11,388)	-
Dividend for the year ended 31 December 2018	-	-	(211,350)	-	(211,350)	(211,350)
Transfer to social and sports fund (note 21.1)	-	-	(3,592)	-	(3,592)	(3,592)
Balance as at 31 December 2019	4,227,000	62,881	397,752	(168,160)	229,592	4,519,473
Balance as at 1 January 2020	**4,227,000**	**62,881**	**397,752**	**(168,160)**	**229,592**	**4,519,473**
Profit for the year	**-**	**-**	**-**	**185,091**	**185,091**	**185,091**
Total comprehensive income for the year	**-**	**-**	**-**	**185,091**	**185,091**	**185,091**
Transfer to distributable profits (note 21)	**-**	**-**	**269,066**	**(269,066)**	**-**	**-**
Transfer to legal reserve (note 21)	**-**	**13,453**	**(13,453)**	**-**	**(13,453)**	**-**
Dividend for the year ended 31 December 2019 (note 30)	**-**	**-**	**(211,350)**	**-**	**(211,350)**	**(211,350)**
Transfer to social and sports fund (note 21.1)	**-**	**-**	**(4,623)**	**-**	**(4,623)**	**(4,623)**
Balance as at 31 December 2020	**4,227,000**	**76,334**	**437,392**	**(252,135)**	**185,257**	**4,488,591**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	Year ended 31 December	
		2020	2019
		QR'000	QR'000
Cash flows from operating activities			
Net profit for the year		**185,091**	143,675
Adjustments for:			
Depreciation of property, plant and equipment	12	**261,531**	227,194
Amortisation of intangible assets	13	**178,375**	175,764
Depreciation of right-of-use assets	18	**98,965**	85,487
Other income		**(1,676)**	(3,655)
Other financing costs		**25,063**	28,708
Finance costs		**39,609**	33,719
Change in operating assets and liabilities			
Decrease / (increase) in inventories		**16,153**	(2,712)
Decrease / (increase) in trade and other receivables		**93,814**	(119,978)
Decrease / (increase) in contract assets		**12,856**	(8,199)
Decrease / (increase) in contract costs		**1,989**	(591)
(Decrease) / increase in trade and other payables		**(204,759)**	185,447
Increase in provisions		**7,240**	7,273
Cash generated from operations		**714,251**	752,132
Finance costs paid		**(42,440)**	(28,417)
Net cash flows from operating activities		**671,811**	723,715
Cash flows used in investing activities			
Purchase of property, plant and equipment	19.3	**(456,223)**	(406,714)
Purchase of intangible assets	19.4	**(34,091)**	(138,876)
Movement in restricted bank accounts	19.1	**(6,918)**	(5,813)
Other income received		**488**	3,655
Net cash flows used in investing activities		**(496,744)**	(547,748)
Cash flows used in financing activities			
Payment of lease liabilities	18	**(105,897)**	(74,218)
Proceeds from loans and borrowings	22	**200,000**	820,000
Repayment of loans and borrowings	22	**(200,000)**	-
Repayment of wakala contract		**-**	(820,105)
Dividend paid	24.1	**(204,432)**	(205,537)
Net cash flows used in financing activities		**(310,329)**	(279,860)
Net decrease in cash and cash equivalents		**(135,262)**	(103,893)
Cash and cash equivalents at the beginning of the year		**286,708**	390,601
Cash and cash equivalents at the end of the year	19	**151,446**	286,708

The accompanying notes 1 to 31 form an integral part of these 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 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 Ministry of Transport and Communications 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.

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

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

The newly formed subsidiary, Infinity Payment Solutions LLC, is yet to commence its commercial operations as of the reporting date.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), applicable provisions of Qatar Commercial Company Law and the Company's Articles of Association.

Accounting convention

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

Functional and presentation currency

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

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting year. For a discussion on the Group's critical accounting estimates see "Critical accounting judgments and key sources of estimation uncertainty" under note 28. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its Subsidiaries together constituting "the Group".

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

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

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

Changes in ownership interest

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

Revenue recognition

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

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

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

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

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

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

Revenue from access charges, airtime usage and messaging by contract customers is recognised as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires. Revenue from data services and information provision is recognised when the Group has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service. Revenue from interconnect fees is recognised at the time the services are performed.

Interconnection and other direct expenses

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

Interconnection and roaming costs

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

Commissions and dealer costs

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

Regulatory costs

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

Leases

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

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for certain short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

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

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

COVID-19-Related Rent Concessions

The Group has adopted 'Amendment to IFRS 16 Amendments to Rent Concessions', under which any rent waivers arising as a result of COVID-19 are not assessed as lease modifications subject to certain conditions.

Foreign currencies

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

Borrowing costs

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

Income tax

As per Income Tax Law No. 24 of 2018, corporate income tax is levied on companies that are not wholly owned by Qataris or any GCC nationals, based on the net profit of the Group. As per the provisions of the law, the Group is not subject to corporate income tax as it is listed on the Qatar Stock Exchange.

Property, plant and equipment

Recognition and measurement

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

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

Depreciation

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

Leasehold improvements	Lease term
Network infrastructure	3 - 25 years
Other equipment	1 - 5 years
Furniture and fixtures	5 years
Others	3 - 5 years

Derecognition

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

Intangible assets

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

License

Licence is stated at cost less accumulated amortisation. The amortisation period is determined primarily by reference to the unexpired licence period, the conditions for the licence renewal and whether licences are dependent on specific technologies. Amortisation is charged to the consolidated statement of income on a straight-line basis over the estimated useful lives from the commencement of service of the network. The estimated useful lives of the mobile and fixed line licenses are 60 years and 25 years respectively.

Indefeasible rights of use ("IRU")

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

Other finite lived intangible assets (including software)

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in consolidated statement of income on a straight line basis (3 to 5 years).

Capital work in progress

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

Impairment of assets

Property, plant and equipment and finite lived intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Recoverable amount is the higher of value in use and fair value less cost of disposal. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of income.

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

Inventories

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

Employees' end of service benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where required to a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial Instruments

Non-derivative financial instruments

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments designated at amortised cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instrument designated at other comprehensive income

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Amortised cost and effective interest rate method

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired

Financial assets recognised by the Group include:

Trade receivables and contract assets

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances, historical experience or when the counterparty has been placed under liquidation or entered into bankruptcy proceedings. Individual trade receivables are provided as per Expected Credit Loss ("ECL") policy and written off when management deems them not to be collectible based on above mentioned criteria.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and Mudaraba deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Mudaraba is a short term bank deposit made by the Group under the terms of Sharia principles. The profit from such deposits is accrued in the consolidated statement of income on periodic basis.

Derecognition of financial assets

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

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables, contract assets and lease receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses for trade receivables, contract assets and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For trade receivables, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or counterparty; (ii) default or delinquency in interest or principal payments; or (iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group' financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the same is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss.

Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. Foreign exchange gains and losses on financial liabilities that are not part of a designated hedging relationship are recognised in consolidated statement of income. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Financial liabilities recognised by the Group include:

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Term Finance Loan

Term Finance Loan is recognised initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, term finance loan is measured at amortised cost using the effective interest method. Instalments due within one year at amortised cost are shown as a current liability. Gains or losses are recognised in the consolidated statement of income when the liabilities are derecognised as well as through the amortisation process. Interest costs are recognised as an expense when incurred except those eligible for capitalisation.

Equity instruments

Ordinary shares issued by the Group are classified as equity.

Derecognition of financial liabilities

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

Derivative financial instruments

The Group uses derivative financial instruments to reduce its financial risks due to changes in foreign exchange rates. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

Dividend on ordinary share capital

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

4. SEGMENT REPORTING

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

The Group only operates in the State of Qatar and is therefore viewed to operate in one geographical area. The operating segments that are regularly reported to the CODM are Consumer and Enterprise & others. This is the measure reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance. Set out below is the information regarding Group's operating segments in accordance with IFRS 8 Operating Segments

	Year ended 31 December					
	2020			2019		
	Consumer	**Enterprise & others**	**Total**	Consumer	Enterprise & others	Total
	QR'000			QR'000		
Segment revenue						
Timing of revenue recognition:						
Over time	**1,375,407**	**651,171**	**2,026,578**	1,366,077	613,292	1,979,369
Point in time	**-**	**173,046**	**173,046**	-	145,144	145,144
	1,375,407	**824,217**	**2,199,624**	1,366,077	758,436	2,124,513
Unallocated costs						
Interconnection and other direct expenses			**(759,363)**			(804,604)
Employee salaries and benefits			**(228,298)**			(227,189)
Network, rentals and other operational expenses			**(403,951)**			(383,742)
Depreciation and amortisation expenses			**(538,871)**			(488,445)
Industry fee			**(21,054)**			(18,086)
Operating profit			**248,087**			202,447
Finance costs			**(39,609)**			(33,719)
Other financing costs			**(25,063)**			(28,708)
Other income			**1,676**			3,655
Profit for the year			**185,091**			143,675

5. REVENUE

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Revenue from pre-paid mobile services	**563,486**	656,171
Revenue from post-paid mobile services	**1,066,898**	1,021,077
Sale of equipment (mobile/network) and accessories	**178,673**	175,661
Other revenue	**390,567**	271,604
	2,199,624	2,124,513

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

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Disaggregation of revenue – over time		
Pre-paid and post-paid services	**1,630,384**	1,677,248
Sale of equipment (mobile/network) and accessories	**5,627**	30,517
Other services	**390,567**	271,604
	2,026,578	1,979,369
Disaggregation of revenue – at a point in time		
Sale of equipment (mobile/network) and accessories	**173,046**	145,144
	173,046	145,144
Total revenue	**2,199,624**	2,124,513

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2020 amounted to QR 90.40 million (2019: QR 91.64 million).

Management expects 100% of the transaction price allocated to the unsatisfied contracts as of the year ended 31 December 2020 will be recognised as revenue during the next reporting period.

6. INTERCONNECTION AND OTHER DIRECT EXPENSES

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Interconnection and roaming costs	**347,587**	391,638
Equipment and other direct costs	**200,092**	206,010
Commissions and dealer costs	**124,134**	131,353
Regulatory costs	**52,320**	37,452
Provision for expected credit losses	**35,230**	38,151
	759,363	804,604

Provision for expected credit losses is net of collections from previously written off balances of QR 5.42 million (2019: QR 4.39 million).

7. NETWORK, RENTALS AND OTHER OPERATIONAL EXPENSES

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Operating lease rentals	**31,254**	53,578
Network and other operational expenses	**372,697**	330,164
	403,951	383,742

8. OTHER FINANCING COSTS

Other financing costs include unwinding of discounted portion of asset retirement obligations (note 23.1) amounting to QR 1 million (2019: QR 11.92 million), interest expense on lease liabilities amounting to QR 16.14 million (2019: QR 15.01 million) (note 18) and certain other ancillary costs.

9. OTHER INCOME

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Profit from mudaraba	**488**	3,655
Lease rent concessions (note 9.1)	**1,188**	-
	1,676	3,655

9.1 This pertains to certain lease payment waivers received by the Group which have been recognised as income as per Covid-19-Related Rent Concessions Amendment to IFRS 16.

10 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 regulated activities.

11 BASIC AND DILUTED EARNINGS PER SHARE

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Profit for the year (QR '000)	**185,091**	143,675
Weighted average number of shares (in thousands)	**4,227,000**	4,227,000
Basic and diluted earnings per share (QR)	**0.044**	0.034

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

12. PROPERTY, PLANT AND EQUIPMENT

	Network and equipment	Furniture and fixtures	Vehicles	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 January 2019	2,530,991	228,344	-	2,759,335
Additions	412,584	5,921	-	418,505
At 31 December 2019	2,943,575	234,265	-	3,177,840
Additions (note 12.1)	386,074	12,500	390	398,964
Transfers (note 12.2)	26,575	(1,084)	-	25,491
At 31 December 2020	**3,356,224**	**245,681**	**390**	**3,602,295**
Accumulated depreciation:				
At 1 January 2019	1,281,630	185,242	-	1,466,872
Charge for the year	210,768	16,426	-	227,194
At 31 December 2019	1,492,398	201,668	-	1,694,066
Charge for the year	247,647	13,825	59	261,531
At 31 December 2020	**1,740,045**	**215,493**	**59**	**1,955,597**
Net book value:				
At 31 December 2020	**1,616,179**	**30,188**	**331**	**1,646,698**
At 31 December 2019	1,451,177	32,597	-	1,483,774

12.1 The additions to Property Plant and Equipment (PPE) for the year are net of reversal of assets relating to asset retirement obligation amounting to QR 57.26 million as detailed in note 23.1.

12.2 During the year, based on a review of the Asset Under Construction (AUC) that were ready for capitalization, the Group transferred certain assets from Intangible Assets to PPE in line with the nature and use of those assets. These are shown as Transfers between Intangible Assets and PPE.

12.3 The net book value of PPE includes the following:

i. Assets related to asset retirement obligation amounting to QR 9.66 million (2019: QR 49.84 million).

ii. AUC amounting to QR 230.52 million (2019: QR 139.27 million), which are not depreciated.

13. INTANGIBLE ASSETS

	License	Software	Indefeasible right to use	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 January 2019	7,726,000	1,048,920	61,533	8,836,453
Additions	-	218,562	-	218,562
At 31 December 2019	7,726,000	1,267,482	61,533	9,055,015
Additions	-	12,190	-	12,190
Transfers (note 12.2)	-	(25,491)	-	(25,491)
At 31 December 2020	**7,726,000**	**1,254,181**	**61,533**	**9,041,714**
Accumulated amortisation:				
At 1 January 2019	3,576,637	826,614	4,712	4,407,963
Charge for the period	84,093	85,766	5,905	175,764
At 31 December 2019	3,660,730	912,380	10,617	4,583,727
Charge for the period	84,127	88,316	5,932	178,375
At 31 December 2020	**3,744,857**	**1,000,696**	**16,549**	**4,762,102**
Net book value:				
At 31 December 2020	**3,981,143**	**253,485**	**44,984**	**4,279,612**
At 31 December 2019	4,065,270	355,102	50,916	4,471,288

13.1 The net book value of software includes software under development amounting to QR 20.31 million (2019: QR 129.54 million) which is not amortised.

14. TRADE AND OTHER RECEIVABLES

	31 December 2020 QR'000	31 December 2019 QR'000
Non-current assets:		
Prepayments	**29,720**	36,641
Current assets:		
Trade and other receivables – net	**244,843**	305,922
Prepayments	**28,805**	54,312
Due from related parties (note 25)	**6,416**	6,723
	280,064	366,957

Trade and other receivables are net of the ECL provision amounting to QR 149.84 million (2019: QR 109.19 million).

No interest is charged on outstanding trade receivables. The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all non-government receivables over 180 days past due because historical experience has indicated that these receivables are generally not recoverable.

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

Measurement of the expected credit loss allowance

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

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

- development of ECL models, including the various formulas and choice of inputs
- determining the criteria if there has been a significant increase in credit risk, therefore allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- the segmentation of financial assets when their ECL is assessed on a collective basis; and
- determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs)
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

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

31 December 2020	Up to 30 days	31 – 60 days	61– 90 days	91–180 days	Above 180 days	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Expected credit loss rate	3%–8%	12%–40%	20%–61%	30%–84%	100%	
Gross carrying amount	175,582	21,585	18,526	28,363	150,623	394,679
Loss allowance						149,836

31 December 2019	Up to 30 days	31 – 60 days	61– 90 days	91–180 days	Above 180 days	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Expected credit loss rate	3%–8%	12%–40%	20%–60%	29%–84%	100%	
Gross carrying amount	209,826	30,550	16,496	42,360	115,878	415,110
Loss allowance						109,188

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

The following table shows the movement in expected credit losses that has been recognised for trade and other receivables:

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Balance at beginning of the year	**109,188**	66,646
Expected credit loss allowance recognised during the year	**40,648**	42,542
Balance at end of the year	**149,836**	109,188

15. CONTRACT ASSETS

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

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

There were no impairment losses recognised on any contract asset in the reporting period (2019: QR Nil).

The management of the Group always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects.

16. CONTRACT COSTS

This represents customer acquisition cost incurred by the Group. The amount is classified as a current asset and amortised over the customers' lock in period.

17. INVENTORIES

	31 December	31 December
	2020	2019
	QR'000	QR'000
Handsets	**15,401**	36,405
Scratch cards and accessories	**6,447**	1,596
	21,848	38,001

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

	31 December	31 December
	2020	2019
	QR'000	QR'000
Balance at beginning of the year	**4,074**	2,794
Amounts charged to consolidated statement of income	**749**	1,280
Amounts written off during the year	**(883)**	-
Balance at end of the year	**3,940**	4,074

18. LEASES AND RIGHT-OF-USE ASSETS

The Group leases various offices, cell sites, warehouses, ducts, retail stores and equipment. Rental contracts are typically for fixed periods of 5-10 years but may have extension options.

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

	31 December 2020 QR'000	31 December 2019 QR'000
Balance at beginning of the year	**358,339**	412,149
New leases added during the year	**112,247**	31,677
Depreciation expense on right-of-use of assets	**(98,965)**	(85,487)
Balance at end of the year	**371,621**	358,339

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

	31 December 2020 QR'000	31 December 2019 QR'000
Exchange and network assets	**229,903**	296,800
Buildings/ offices	**116,665**	32,437
Duct access	**25,053**	29,102
Total right-of-use assets	**371,621**	358,339

Below is the movement in lease liabilities:

	31 December 2020 QR'000	31 December 2019 QR'000
Balance at beginning of the year	**374,125**	401,655
New leases added during the year	**112,247**	31,677
Interest expense for the year	**16,144**	15,011
Rent waivers received during the year – note 9.1	**(1,188)**	-
Payments made during the year	**(105,897)**	(74,218)
Balance at end of the year	**395,431**	374,125
Presented in consolidated statement of financial position as:		
Current lease liabilities	**112,727**	120,837
Non-current lease liabilities	**282,704**	253,288
	395,431	374,125

19 CASH AND BANK BALANCES

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

	31 December 2020 QR'000	31 December 2019 QR'000
Mudaraba deposits	**54,700**	50,000
Cash at bank	**120,062**	253,098
Cash on hand	**92**	100
Total cash and bank balances	**174,854**	303,198
Less: Balance with restricted bank accounts – note 19.1	**(23,408)**	(16,490)
Cash and cash equivalents	**151,446**	286,708

19.1 This comprises funds maintained for uncollected shareholder dividends as per note 24.1.

19.2 There were no impairment losses recognised on cash and bank balances in the reporting period (2019: QR Nil).

19.3 Purchase of PPE amounting to QR. 456.22 million, as disclosed in the consolidated statement of cash flows, includes non-cash adjustments of QR 57.26 million related to reversal of asset retirement obligation.

19.4 Purchase of Intangible Assets amounting to QR 34.09 million, as disclosed in consolidated statement of cash flows, includes a payment of QR 21.90 million for assets capitalized in prior years but paid during current year.

20. SHARE CAPITAL

	31 December 2020		31 December 2019	
	Number	**QR'000**	Number	QR'000
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QR 1 each	**4,227,000,000**	**4,227,000**	4,227,000,000	4,227,000

21. LEGAL RESERVE AND DISTRIBUTABLE PROFITS

The Company was incorporated under Article 68 of the Qatar Commercial Companies' Law No. 5 of 2002. This law was subsequently replaced by Qatar Commercial Companies Law No.11 of 2015.

The Articles of Association of the Company were amended after the introduction of Qatar Commercial Companies Law No.11 of 2015 and subsequently approved by the Ministry of Economy and Commerce.

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

Legal reserve:

The excess of issuance fees collected over the issuance cost during the initial public offering of the ordinary shares has been transferred to the legal reserve as required by Article 154 of Qatar Commercial Companies Law No. 5 of 2002. Further, as per the Articles of Association of the Company, 5% of annual distributable profits of the Company should be transferred to a separate legal reserve. The General Assembly may discontinue this deduction if the legal reserve reaches 10% of the paid up capital.

Distributable profits:

As per the Articles of Association of the Company, distributable profits are defined as the reported net profit/ loss of the Company for the financial year plus amortisation of license fees for the year. Undistributed profits are carried forward and are available for distribution in future periods.

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

	Year ended 31 December 2020		Year ended 31 December 2019	
	QR'000	**QR'000**	QR'000	QR'000
Balance at beginning of the year		**397,752**		396,314
Net profit of the Company	**184,939**		143,675	
Amortisation of license fee	**84,127**		84,093	
Transfer to distributable profits		**269,066**		227,768
Transfer to legal reserve		**(13,453)**		(11,388)
Dividend for the year		**(211,350)**		(211,350)
Transfer to social and sports fund (note 21.1)		**(4,623)**		(3,592)
Balance at year end		**437,392**		397,752

21.1 Social and sports fund

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

22. LOANS AND BORROWINGS

	31 December 2020	31 December 2019
	QR'000	QR'000
Loans and borrowings	**820,000**	820,000
Presented in the consolidated statement of financial position as:		
Non-current liabilities	**615,000**	820,000
Current liabilities	**205,000**	-
	820,000	-

The Group entered into a Facility Agreement with a local bank for QR 820 million on 29 October 2019 (the "Facility") at an agreed interest rate of QMRL less 25 Basis Points (BPs). The facility of QR 820 million was availed on 12 November 2019 for a term of five years. The facility is repayable in 16 equal quarterly installments of QR 51.25 million each starting February 2021. The facility is secured against general assignment agreement. Interest of QR 36.15 million (2019: QR 5.30 million) was incurred during the year on the facility.

The Group also secured a financing facility of QR 911 million on 27 May 2018 from a local bank. Amounts of QR 200 million were availed and fully repaid during the current year. As of reporting date, no amount was outstanding against this financing facility. Interest of QR 3.46 million (2019: QR nil) was incurred during the year on this financing facility.

23. PROVISIONS

	31 December 2020	31 December 2019
	QR'000	QR'000
Asset retirement obligations (note 23.1)	**29,639**	85,894
Employees' end of service benefits (note 23.2)	**42,453**	36,217
	72,092	122,111

23.1 Asset retirement obligations

In the course of the Group's activities, a number of sites and other assets are utilised which are expected to have costs associated with decommissioning. The associated cash outflows are substantially expected to occur at the dates of exit of the assets to which they relate, which are long term in nature.

During the year, the Group revised its estimates used in the calculation of the provision for asset retirement obligations. The change in accounting estimate for asset retirement obligation has resulted in a) reversal of provision for asset retirement obligation by QR 57.26 million with a corresponding decrease in the related asset in Property, Plant and Equipment; and b) increase in the net profit for the year by QR 10.23 million (refer note 28).

23.2 Employees' end of service benefits

	Year ended 31 December 2020	Year ended 31 December 2019
	QR'000	QR'000
Balance at beginning of the year	**36,217**	33,275
Charge for the year	**11,759**	9,445
Payments during the year	**(5,523)**	(6,503)
Balance at year end	**42,453**	36,217

24. TRADE AND OTHER PAYABLES

	31 December 2020 QR'000	31 December 2019 QR'000
Non-current liabilities:		
Trade payables	**84,535**	107,074
Current liabilities:		
Trade payables	**423,526**	703,693
Accruals	**395,670**	310,199
Deferred income	**90,403**	86,327
Contract liabilities	**306**	156
Other payables	**28,387**	34,829
Accrued interest	**2,471**	-
Dividend payable (note 24.1)	**23,408**	16,490
Payable to social and sports fund (note 21.1)	**4,623**	3,592
	968,794	1,155,286

24.1 Dividend payable

	Year ended 31 December 2020 QR'000	Year ended 31 December 2019 QR'000
Balance at beginning of the year	**16,490**	10,677
Dividend for the year ended 31 December 2019/ 2018 (note 30)	**211,350**	211,350
Dividend payments during the year	**(204,432)**	(205,537)
Balance at year end	**23,408**	16,490

25. RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

	Year ended 31 December 2020 QR'000	Year ended 31 December 2019 QR'000
Sales of goods and services		
Qatar Foundation controlled entities	**24,622**	45,944
Purchases of goods and services		
Qatar Foundation controlled entities	**28,014**	22,388

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

	31 December 2020 QR'000	31 December 2019 QR'000
Receivables from related parties:		
Qatar Foundation controlled entities	**6,416**	6,723
Payables to related parties:		
Qatar Foundation controlled entities	**4,261**	6,870

25 RELATED PARTY TRANSACTIONS (CONTINUED)

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest. No impairment losses were recognised for balances due from related parties during the period (2019: Nil). The payables to related parties arise mainly from purchase transactions and bear no interest.

Compensation of key management personnel

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

	Year ended 31 December	
	2020	2019
	QR'000	QR'000
Salaries and short-term benefits	**32,758**	28,993
Employees' end of service benefits	**706**	649
	33,464	29,642

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital management

The following table summarises the capital structure of the Group:

	31 December 2020	31 December 2019
	QR'000	QR'000
Loans and borrowings	**820,000**	820,000
Cash and bank balances	**(174,854)**	(303,198)
Net debt	**645,146**	516,802
Total equity	**4,488,591**	4,519,473
Gearing ratio	**14.37%**	11.44%

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

Financial instruments

Significant accounting policies

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

Categories of financial instruments

	31 December 2020	31 December 2019
	QR'000	QR'000
Financial assets at amortised cost:		
Cash and bank balances	**174,854**	303,198
Contract assets	**22,003**	34,859
Trade and other receivables (excluding prepayments)	**251,259**	312,645
Financial liabilities at amortised cost:		
Trade and other payables (excluding accruals and deferred income)	**567,256**	865,834
Loans and borrowings	**820,000**	820,000

Fair value of financial instruments

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

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobserved inputs)

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values due to the short maturity period.

Reconciliation of liabilities arising from financing activities

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

	At 1 January 2020	Financing cash flows	Non cash changes*	At 31 December 2020
	QR'000	QR'000	QR'000	QR'000
Loans and borrowings	**820,000**	**(42,440)**	**42,440**	**820,000**
Lease liabilities	**374,125**	**(105,897)**	**127,203**	**395,431**
Dividend payable	**16,490**	**(204,432)**	**211,350**	**23,408**

	At 1 January 2019	Financing cash flows	Non cash changes*	At 31 December 2019
	QR'000	QR'000	QR'000	QR'000
Loans and borrowings	820,105	28,522	(28,627)	820,000
Lease liabilities	-	(74,218)	448,343	374,125
Dividend payable	10,677	(205,537)	211,350	16,490

* This comprise finance cost and dividend declared.

Financial Risk Management

Foreign currency risk management

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

Majority of foreign currency receivable/payable balances are in US$ which is pegged against QR. Therefore, these receivable/payable balances are not exposed to foreign currency exchange rate fluctuation risk. The Group has an insignificant exposure of receivable/payable balances in Euro and other currencies where effect of any 10% increase/decrease in foreign exchange rates is expected to be equal and opposite to QR 2.75 million (2019 QR 0.80 million).

Interest rate risk management

The Group is liable to pay interest on Term Finance Loan facility, which is aggregate of the applicable margin and QMR-L. Every one percent rise or fall in QMR-L would increase or reduce the total profit of the Group for the financial year by QR 7.61 million (2019: QR 1.12 million).

Credit risk management

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

Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Movement in provision for expected credit losses account is presented in note 14. The following table presents ageing of trade receivables (gross):

	31 December 2020	31 December 2019
	QR'000	QR'000
0 – 30 days	**175,582**	209,826
31 – 60 days	**21,585**	30,550
61 – 90 days	**18,526**	16,496
91 – 180 days	**28,363**	42,360
Over 180 days	**150,623**	115,878
	394,679	415,110

Exposure to credit risk

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

	Carrying amount	
	31 December 2020	31 December 2019
	QR'000	QR'000
Cash and bank balances	**174,854**	303,198
Trade and other receivables (excluding prepayments)	**251,259**	312,645
	426,113	615,843

Liquidity risk management

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

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

The table below analyses the Group's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2020	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	**878,391**	**84,535**
Loans and borrowings	**205,000**	**615,000**

At 31 December 2019	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	1,068,959	107,074
Loans and borrowings	-	820,000

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

27 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

	31 December 2020	31 December 2019
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the consolidated financial statements	**429,824**	749,384

Contingent liabilities

	31 December 2020	31 December 2019
	QR'000	QR'000
Performance bonds	**31,441**	34,815
Tender bonds	**48,956**	1,860
Credit and payment guarantees – third party indebtedness	**47,516**	53,673

Performance bonds

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

Tender bonds

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

Credit and payment guarantees – third party indebtedness

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

Operating leases commitments

Short term operating commitments amounted to QR 1.15 million as of 31 December 2020 (2019: QR 1.28 million) that are expected to be settled within 12 months period.

28 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and accordingly provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant IFRS accounting policies, which is provided in note 3 to the consolidated financial statements.

The impact of COVID -19 on estimates has been disclosed in Note 31.

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before financing income/costs, tax, depreciation and amortisation, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long term growth rates;
- expected costs to renew the license; and
- the selection of discount rates to reflect the risks involved.

The Group has considered all the internal and external indicators to assess whether there are any indicators of impairment during the year. Based on assessment performed, the Group concluded that there have been no events or change in circumstances which indicates that carrying amounts of assets may not be recoverable. Hence, no impairment testing is performed.

Revenue recognition

Acquisition revenue is amortized over maximum lock in period of the customer which is three months in the State of Qatar.

The Group give its customers the option to return the handsets within a period of 7 days of purchase. Keeping in view the negligible numbers of returns in the history, no provision is made with regard to return of goods sold.

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

Revenue presentation: gross versus net

When deciding the most appropriate basis for presenting revenue and costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned. Transit revenue is recognised on a gross basis as the Group assumes credit risk and acts as a principal in the transactions.

Estimation of useful life

The useful life used to depreciate/amortise assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of tangible and intangible assets is as follows:

Intangible assets

The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Group will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology.

The management determines the estimated useful lives of its other intangible assets for calculating amortisation. This estimate is determined based on the expected pattern of consumption of future economic benefits embodied in the asset.

Property, plant and equipment

Property, plant and equipment represents a significant proportion of the asset base of the Group being 24% (2019: 21%) of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of income.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. Inventories which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Asset retirement obligation

A provision for asset retirement obligation exists where the Group has a legal or constructive obligation to remove an infrastructure asset and restore the site. Asset retirement obligation is recorded at the present value of expected costs to settle the obligation using estimated cash flows and is recognised as part of the particular asset. The cash flows are discounted at the rate that management considers reflects the risk specific to the asset retirement obligation i.e. 7.49% (2019: 6.22%).

Subsequent to initial recognition, an unwinding expense relating to the provision is periodically recognised as a financing cost.

While the provision is based on the best estimate of future costs and the useful lives of infrastructure assets, there is uncertainty regarding both the amount and timing of incurrence of these costs. Any subsequent change in the present value of the estimated cost due to changes in the gross removal costs or discount rates, is dealt with prospectively as a change in accounting estimate and reflected as an adjustment to the provision and a corresponding adjustment to the infrastructure assets.

Change in accounting estimate of Asset retirement obligation

During the year, 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 57.26 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 year by QR 10.23 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.

Expected credit losses

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time the amount has been due.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 61 and 90 days past due had been 5% higher (or lower) as of 31 December 2020, the loss allowance on trade receivables would have been QR 0.19 million (2019: QR 0.19 million) higher (or lower).

If the ECL rates on trade receivables between 31 and 60 days past due had been 5% higher (or lower) as of 31 December 2020, the loss allowance on trade receivables would have been QR 0.17 million (2019: QR 0.17 million) higher (or lower).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

29 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended IFRS that are effective for the current year

Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020).

Impact on accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient to all rent concessions that meet the conditions in IFRS 16:46B, and has not restated prior period figures.

The Group has benefited from waiver of lease payment amounting to QR 1.19 million during the year which has been accounted as a part of other income in the consolidated statement of income for the year. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments.

New and amended IFRS applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these financial statements.

- Amendments to References to the Conceptual Framework in IFRS Standards

  The Group has adopted the amendments included in *Amendments to References to the Conceptual Framework in IFRS Standards* for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new *Framework*. Not all amendments, however, update those pronouncements with regard to references to and quotes from the *Framework* so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the *Framework* they are referencing to (the IASC *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

- Amendments to IFRS 3 - Definition of a business

  The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

  The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

- Amendments to IFRS 7 and IFRS 9 - Impact of the initial application of Interest Rate Benchmark Reforms

  These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

- Amendments to IAS 1, IAS 8 - Amendments regarding the definition of material

  The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

  The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

  These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2022

- Amendments regarding IAS 16 Property, Plant and Equipment - Proceeds before intended use

  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

  If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

  The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings at the beginning of that earliest period presented.

- Annual improvement 2018-2020 Cycle

  The Annual improvements include amendments to below four Standards:

  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IAS 41 Agriculture

- Reference to the Conceptual Framework (Amendments to IFRS 3)

  The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

- Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

  The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

29 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and revised IFRSs in issue but not yet effective and not early adopted (Continued)

Effective for annual periods beginning on or after 1 January 2023

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- IFRS 17 Insurance Contracts

  IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

  The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholder' options and guarantees.

  In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

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*

  The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's statement of income only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's statement of income only to the extent of the unrelated investors' interests in the new associate or joint venture.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

30 DIVIDENDS

Dividends paid for year 2019

On 3 February 2020, the Board of Directors had proposed a cash dividend of 5% of the nominal share value of 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.

Proposed dividend for year 2020

The Board of Directors has 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). The proposed dividend is subject to approval of the shareholders during the Annual General Assembly on 24 February 2021.

31 IMPACT OF COVID-19

Business outlook remain affected by risks and uncertainties caused by a multitude of factors, some of which were 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, 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, following which the Government has ended the lockdowns in the State of Qatar and has adopted phased approach towards normalisation.

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.

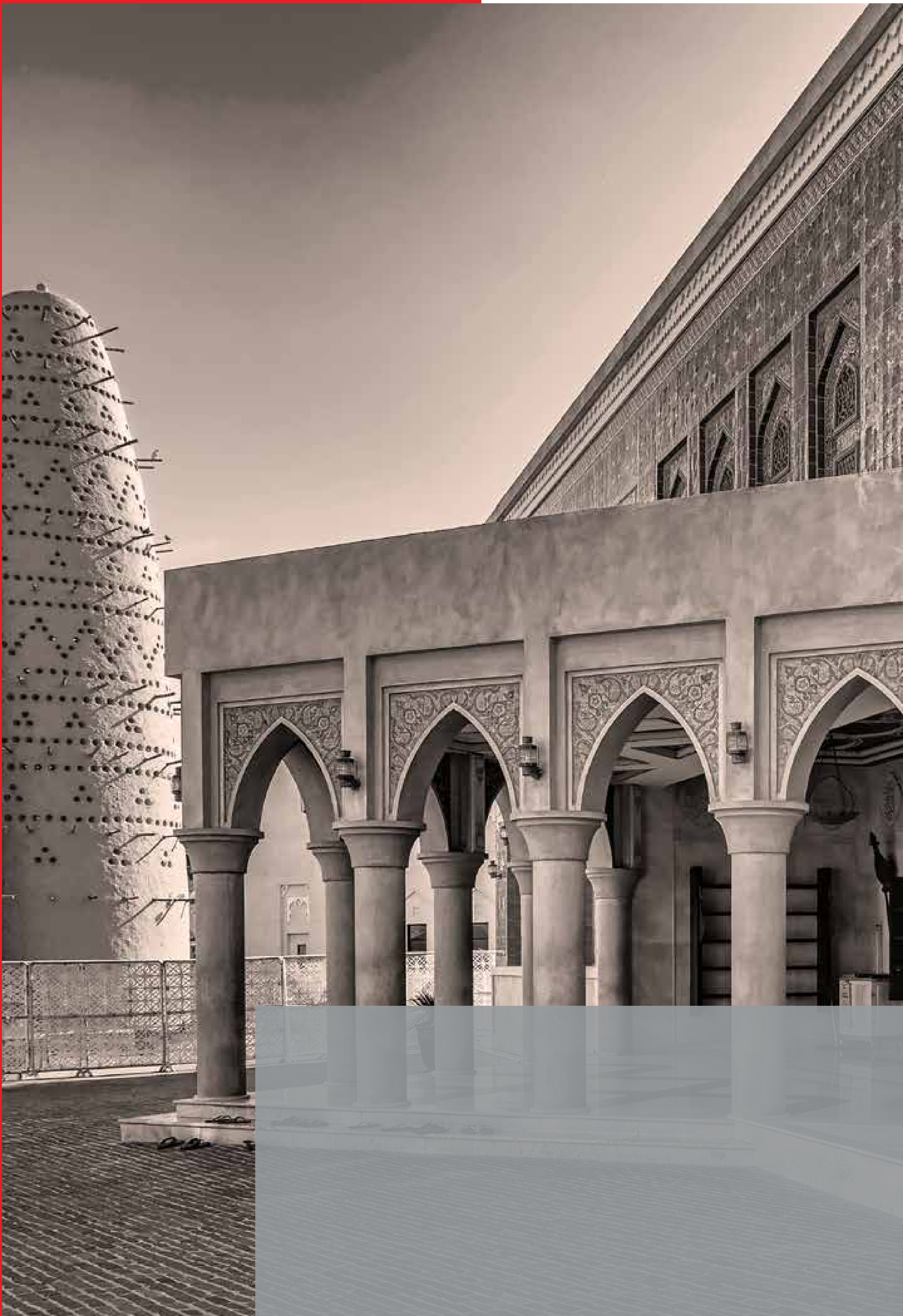
The Group performed its assessment of the Covid-19 impact and concluded that no significant changes are required as of 31 December 2020 in its key accounting judgements and estimates, except for updating the forward-looking assumptions relating to the macroeconomic environment used to determine the likelihood 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 year ended 31 December 2020.

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 consolidated financial statements have been prepared on a going concern basis.

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

07.

Glossary & Disclaimer



GLOSSARY

Distributable Profits

Net profit or loss plus amortisation of the licence, for the financial period.

ARPU

Average Revenue Per User – Service revenue divided by average customers.

EBITDA

Earnings Before Financing Income / Costs, Tax, Depreciation, Amortisation and Industry fee

EBITDA Margin

EBITDA divided by revenue for the financial period.

Net Debt / Net Financing Position

Long-term and short-term borrowings less cash and cash equivalents

DISCLAIMER

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