

VODAFONE QATAR P.Q.S.C.

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2025**



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

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

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

Introduction

We have reviewed the accompanying 30 June 2025 interim condensed consolidated financial statements of Vodafone Qatar P.Q.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the interim condensed consolidated statement of income for the six-month period ended 30 June 2025;
- the interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2025;
- the interim condensed consolidated statement of financial position as at 30 June 2025;
- the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- notes to the interim condensed consolidated financial statements.

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


Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

30 July 2025
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251
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Auditors' License No. 120153





INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the six months period ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 (Reviewed) QR'000	2024 (Reviewed) QR'000
Revenues	4	1,751,895	1,585,133
Interconnection and other direct expenses		(625,469)	(517,096)
Network and other operational expenses		(226,883)	(238,639)
Employees' salaries and benefits		(147,735)	(140,372)
Depreciation of property, plant and equipment		(197,392)	(164,313)
Amortisation of intangible assets		(96,655)	(98,430)
Depreciation of right-of-use assets		(55,359)	(57,224)
Expected credit losses		(19,832)	(17,225)
Finance costs		(13,950)	(18,626)
Other financing costs	5	(11,450)	(14,511)
Other income		5,383	4,395
Profit before tax related fees		362,553	323,092
Tax related fees	6	(33,925)	(29,925)
Profit for the period		328,628	293,167
Basic and diluted earnings per share (in QR per share)	7	0.078	0.069



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

The accompanying notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 (Reviewed) QR'000	2024 (Reviewed) QR'000
Profit for the period		328,628	293,167
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:</i>			
Cash flow hedges- effective portion of changes in fair value	16	9,710	(2,188)
Total comprehensive income for the period		338,338	290,979



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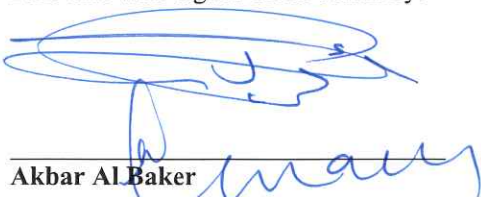
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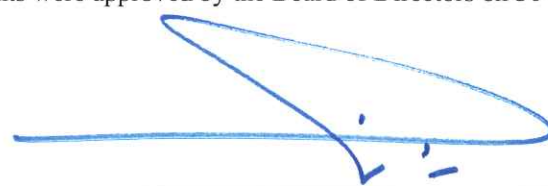


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

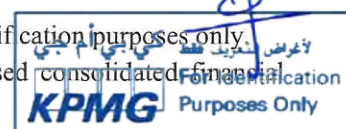
	Notes	30 June 2025 (Reviewed) QR'000	31 December 2024 (Audited) QR'000
Assets			
Non-current assets			
Property, plant and equipment	8	1,884,438	1,958,183
Intangible assets	9	3,824,833	3,895,013
Right-of-use assets	10	340,015	337,229
Trade and other receivables	11	205,255	235,631
Total non-current assets		6,254,541	6,426,056
Current assets			
Trade and other receivables	11	593,258	496,491
Inventories	12	41,048	50,214
Contract costs		52,258	43,075
Cash and bank balances	13	373,445	145,010
Total current assets		1,060,009	734,790
Total assets		7,314,550	7,160,846
Equity and liabilities			
Share capital	14	4,227,000	4,227,000
Legal reserve	15	210,657	192,100
Hedging reserve		4,402	(5,308)
Retained earnings		432,687	638,072
Total equity		4,874,746	5,051,864
Non-current liabilities			
Lease liabilities	10	225,164	226,948
Loans and borrowings	17	700,000	375,000
Provisions	18	114,644	109,886
Total non-current liabilities		1,039,808	711,834
Current liabilities			
Lease liabilities	10	165,188	149,726
Loans and borrowings	17	2,994	2,398
Trade and other payables	19	1,231,814	1,245,024
Total current liabilities		1,399,996	1,397,148
Total liabilities		2,439,804	2,108,982
Total equity and liabilities		7,314,550	7,160,846

These interim condensed consolidated financial statements were approved by the Board of Directors on 30 July 2025 and were signed on its behalf by:


Akbar Al Baker
Vice - Chairman


Rashid Fahad Al Naimi
Managing Director

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The accompanying notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.





INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2025

	Notes	Share capital	Legal reserve	Hedging Reserve	Retained earnings		Total equity
		QR'000	QR'000	QR'000	Distributable profits	Accumulated losses	Total
		QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance as at 1 January 2025 (audited)		4,227,000	192,100	(5,308)	1,235,052	(596,980)	5,051,864
Profit for the period		-	-	-	-	328,628	328,628
Comprehensive income for the period		-	-	9,710	-	-	9,710
Total comprehensive income for the period		-	-	9,710	-	328,628	338,338
Transfer to distributable profits	15	-	-	-	371,136	(371,136)	-
Transfer to legal reserve	15	-	18,557	-	(18,557)	-	-
Dividend for the year ended 31 December 2024	22	-	-	-	(507,240)	-	(507,240)
Transfer to social and sports fund		-	-	-	(8,216)	-	(8,216)
Balance as at 30 June 2025 (reviewed)		4,227,000	210,657	4,402	1,072,175	(639,488)	4,874,746
Balance as at 1 January 2024 (audited)		4,227,000	157,787	-	1,063,093	(511,384)	4,936,496
Profit for the period		-	-	-	-	293,167	293,167
Comprehensive income for the period		-	-	(2,188)	-	-	(2,188)
Total comprehensive income for the period		-	-	(2,188)	-	293,167	290,979
Transfer to distributable profits	15	-	-	-	336,687	(336,687)	-
Transfer to legal reserve	15	-	16,834	-	(16,834)	-	-
Dividend for the year ended 31 December 2023		-	-	-	(464,970)	-	(464,970)
Transfer to social and sports fund		-	-	-	(7,329)	-	(7,329)
Balance as at 30 June 2024 (reviewed)		4,227,000	174,621	(2,188)	910,647	(554,904)	4,755,176

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2025

Notes	Six months ended 30 June	
	2025	2024*
	(Reviewed) QR'000	(Reviewed) QR'000
Operating activities		
Profit before tax related fees	362,553	323,092
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	197,392	164,313
Amortisation of intangible assets	96,655	98,430
Depreciation of right-of-use assets	55,359	57,224
Provision for employees' end of service	5,699	5,586
Expected credit losses	19,832	17,225
Finance costs	13,950	18,626
Other financing costs	11,450	14,511
Other income	(5,383)	(4,395)
<i>Changes in operating assets and liabilities</i>		
(Increase) / decrease in trade and other receivables	(82,310)	28,433
Decrease / (increase) in inventories	9,166	(9,791)
Increase in contract costs	(9,183)	(12,779)
Increase in provisions	285	618
Decrease in trade and other payables	(32,557)	(165,558)
Cash generated from operating activities	642,908	535,535
Tax related fees paid	(61,843)	(52,418)
Finance costs paid	(13,354)	(16,820)
Employees' end of service paid	(2,587)	(1,919)
Other income received	1,685	353
Net cash flows from operating activities	566,809	464,731
Investing activities		
Purchase of property, plant and equipment	(123,647)	(83,742)
Purchase of intangible assets	(26,475)	(14,387)
Deferred consideration paid for subsidiary acquisition	-	(1,000)
Net cash used in investing activities	(150,122)	(99,129)
Financing activities		
Proceeds from loans and borrowings	325,000	415,000
Repayment of loans and borrowings	-	(252,500)
Payment of lease liabilities	(53,099)	(61,799)
Dividend paid	(508,110)	(467,098)
Movement in restricted dividend bank accounts	13.1 870	2,128
Net cash used in financing activities	(235,339)	(364,269)
Net increase in cash and cash equivalents	181,348	1,333
Cash and cash equivalents at the beginning of the period	97,415	94,615
Cash and cash equivalents at the end of the period (restated)*	278,763	95,948

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1 INCORPORATION AND PRINCIPAL ACTIVITIES

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

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

The Company is engaged in providing cellular mobile telecommunication services, fixed line and broadband services and selling related equipment and accessories.

Vodafone and Qatar Foundation LLC (VFQF) owns 45% shareholding (31 December 2024: 45% shareholding) of the Company. By virtue of agreements entered into by the shareholders of VFQF, the Company is not controlled or consolidated by VFQF or any other parties. Hence, there is no parent or ultimate parent for the Company.

The Company’s head office is located in Doha, State of Qatar and its registered address is P.O. Box 27727, Msheireb Downtown, Doha, State of Qatar.

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

These interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as “the Group”). As at the current and comparative reporting date (31 December 2024), the Company has the following subsidiaries:

Subsidiary companies	Location	Nature of business	Holding
Infinity Solutions L.L.C	Qatar	Operational and administrative services	100%
Infinity Payment Solutions W.L.L	Qatar	Fintech and digital innovation services	100%
Allied Advertising Group W.L.L	Qatar	Advertising and sales promotion	100%
Infinity Fintech Ventures L.L.C	Qatar	Investment company	100%
Infinity Global Services L.L.C	Qatar	Investment company	100%

2 BASIS OF PREPARATION

Statement of compliance

These interim condensed consolidated financial statements for the six months period ended 30 June 2025 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*” and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024 (“last annual consolidated financial statements”). They do not include all disclosures that would otherwise be required in a full set of consolidated financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

All amounts in the interim condensed consolidated financial statements are stated in thousands of Qatari Riyals (QR’000) unless indicated otherwise. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.



2 BASIS OF PREPARATION (CONTINUED)

Use of judgements and estimates

The preparation of these interim condensed consolidated financial statements requires management to make judgements and estimates about the future, including climate-related risk and opportunities, that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. The judgments and estimates with 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Management has carried out sensitivity analysis over these significant judgments to assess if any adjustment is needed to the amounts recognised in these interim condensed consolidated financial statements.

During the period, the Group reassessed the useful lives of some of its property, plant and equipment and intangible assets due to regulatory changes, technological updates, and regular maintenance and reassessment of assets lives. This has resulted in reduction of useful life for some of the assets and consequently higher depreciation and amortisation charge of QR 24.1 million for the period (30 June 2024: nil).

Financial risk management

The Group's financial risk management objectives and policies, judgments and estimates are consistent with those disclosed in the consolidated financial statements as at and for year ended 31 December 2024.

3 CHANGE IN ACCOUNTING POLICY

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

4 REVENUES

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements.

	Six months ended 30 June	
	2025 (Reviewed) QR'000	2024 (Reviewed) QR'000
Revenue from post-paid mobile services	663,323	654,130
Revenue from pre-paid mobile services	286,049	265,541
Revenue from broadband, roaming, wholesale and managed services	513,203	494,146
Sale of equipment, related services, and accessories	283,696	167,810
Other revenues	5,624	3,506
	1,751,895	1,585,133



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

4 REVENUES (CONTINUED)**Disaggregation of revenue**

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:

	Six months ended 30 June	
	2025	2024
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Disaggregation of revenue – over time		
Post-paid mobile services	663,323	654,130
Pre-paid mobile services	286,049	265,541
Revenue from broadband, roaming, wholesale and managed services	513,203	494,146
Sale of equipment, related services, and accessories	89,455	12,690
Other revenue	1,561	1,395
	1,553,591	1,427,902
Disaggregation of revenue – at a point in time		
Sale of equipment, related services, and accessories	194,241	155,120
Other revenues	4,063	2,111
	198,304	157,231
Total revenue	1,751,895	1,585,133

5 OTHER FINANCING COSTS

Other financing costs include unwinding of discount on lease liabilities, assets retirement obligation and deferred liability amounting to QR 8.4 million (30 June 2024: QR 10 million), QR 1.3 million (30 June 2024: QR 1.7 million), QR 1 million (30 June 2024: QR 2.8 million), respectively and certain other ancillary costs.

6 TAX RELATED FEES

	Six months ended 30 June	
	2025	2024
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Industry fee ⁽ⁱ⁾	33,754	29,759
Current income tax	171	166
	33,925	29,925

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



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

7 BASIC AND DILUTED EARNINGS PER SHARE

	Six months ended 30 June	
	2025	2024
	(Reviewed)	(Reviewed)
Profit for the period (QR '000)	328,628	293,167
Weighted average number of shares (in thousands)	4,227,000	4,227,000
Basic and diluted earnings per share (QR)	0.078	0.069

8 PROPERTY, PLANT AND EQUIPMENT

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	1,958,183	1,934,465
Additions during the period / year	123,647	384,964
Net book value of assets disposed during the period / year	-	(4,487)
Depreciation for the period / year	(197,392)	(356,759)
Net book value at the end of the period / year	1,884,438	1,958,183

9 INTANGIBLE ASSETS

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	3,895,013	4,037,387
Additions during the period / year	26,475	56,056
Amortisation for the period / year	(96,655)	(198,430)
Net book value at the end of the period / year	3,824,833	3,895,013

10 RIGHT- OF - USE ASSETS AND LEASE LIABILITIES

The Group leases various exchange and network assets, buildings, offices and ducts. Rental contracts are typically for fixed periods of 5-20 years (31 December 2024: 5 – 20 years).

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

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Net book value at the beginning of the period / year	337,229	428,599
Additions to right-of-use assets during the period / year	63,906	37,827
Termination of leases during the period / year	(5,761)	(16,111)
Modification during the period / year	-	(2,666)
Depreciation charge for the period / year	(55,359)	(110,420)
Net book value at the end of the period / year	340,015	337,229



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

10 RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Below is the movement in lease liabilities:

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Balance at the beginning of the period / year	376,674	471,395
New leases added during the period / year	63,906	37,827
Interest expense on lease liabilities for the period / year	8,417	18,353
Modification	-	(3,039)
Offsetting of balances	-	(12,760)
Termination of leases during the period / year	(5,546)	(17,635)
Payments during the period / year	(53,099)	(117,467)
Balance at the end of the period / year	390,352	376,674
Presented in the interim condensed consolidated statement of financial position as:		
Non - current lease liabilities	225,164	226,948
Current lease liabilities	165,188	149,726
	390,352	376,674

11 TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Non-current assets:		
Trade receivables	124,258	162,922
Advances for indefeasible right - of - use	54,203	54,203
Prepayments	18,981	10,038
Deposits	7,813	8,468
	205,255	235,631
Current assets:		
Trade receivables - net ^{(i) (ii)}	439,855	402,200
Contract assets	79,925	42,343
Prepayments	36,068	28,743
Due from related parties (note 21)	24,643	16,766
Forward contract asset	4,402	-
Other receivables – net ⁽ⁱⁱ⁾	8,365	6,439
	593,258	496,491

(i) Trade receivables include financing income receivable amounting to QR 3.4 million (31 December 2024: QR 10.6 million).

(ii) Trade receivables and other receivables are net of expected credit losses (ECL) amounting to QR 178.2 million (31 December 2024: QR 159.8 million). The following table shows the movement in expected credit loss that was recognised against trade and other receivables:



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

11 TRADE AND OTHER RECEIVABLES (CONTINUED)

	30 June 2025	31 December 2024
	(Reviewed) QR'000	(Audited) QR'000
Balance at beginning of the period / year	159,838	126,329
Expected credit losses recognised during the period/year	19,832	31,349
Collections from previously written off balances during the period/year	578	2,160
Write off during the period/year	(2,026)	-
Balance at end of the period/year	178,222	159,838

12 INVENTORIES

	30 June 2025	31 December 2024
	(Reviewed) QR'000	(Audited) QR'000
Handsets	44,887	52,024
Accessories and other equipment	5,554	8,353
	50,441	60,377
Allowance for obsolescence (Note 12.1)	(9,393)	(10,163)
	41,048	50,214

12.1 Inventories are reported net of allowance for obsolescence, an analysis which is as follows:

	30 June 2025	31 December 2024
	(Reviewed) QR'000	(Audited) QR'000
Balance at beginning of the period / year	10,163	7,182
(Reversal) / charge recognised during the period / year	(770)	3,392
Write offs during the period / year	-	(411)
Balance at end of the period / year	9,393	10,163

13 CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
	(Reviewed) QR'000	(Audited) QR'000
Cash and bank balances	373,445	145,010
Less: Balance with restricted bank accounts (note 13.1)	(94,682)	(47,595)
Cash and cash equivalents	278,763	97,415

13.1 Restricted bank accounts comprise of funds maintained for uncollected shareholder dividends of QR 20.2 million, (31 December 2024: QR 21 million), and escrow bank accounts of QR 74.5 million (31 December 2024: QR 26.5 million). These accounts are not available for the use of the Group.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

13 CASH AND CASH EQUIVALENTS (CONTINUED)**Restatement of cash and cash equivalents**

The Group maintains escrow bank accounts for its customers' electronic wallets, under its subsidiary Infinity Payment Solutions LLC. During the year 2024, the Group changed the accounting policy of defining the cash and cash equivalent. Under the revised policy in line with the instructions of Qatar Central Bank, escrow bank accounts are excluded from the Group's bank balances when determining the cash and cash equivalents. The Group have accounted for this change as a change in accounting policy in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors" and accordingly, the comparative figures in the interim condensed consolidated statement of cash flows were restated to reflect this change as follows:

Interim condensed consolidated statement of cash flows for the period ended 30 June 2024:

	Previous Presentation	Restatement	Current Presentation
	QR'000	QR'000	QR'000
Net cash flows from operating activities	479,641	(14,910)	464,731
Cash and cash equivalents at the beginning of the period	104,534	(9,919)	94,615
Cash and cash equivalents at the end of the period	120,777	(24,829)	95,948

14 SHARE CAPITAL

	30 June 2025		31 December 2024	
	Number	QR'000	Number	QR'000
	(Reviewed)	(Reviewed)	(Audited)	(Audited)
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QR 1 each	4,227,000,000	4,227,000	4,227,000,000	4,227,000

All shares have equal rights.

15 LEGAL RESERVE AND DISTRIBUTABLE PROFITS***Legal reserve:***

As per the Articles of Association of the Company, 5% of annual distributable profits should be transferred to a separate legal reserve. The General Assembly may discontinue this deduction if the legal reserve reaches 10% of the paid-up capital. The legal reserve may not be wholly or partially distributed to the shareholders or capitalized, except upon the recommendation of the board of directors and approval of the annual general assembly of shareholders.

Distributable profits:

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

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



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

15 LEGAL RESERVE AND DISTRIBUTABLE PROFITS (CONTINUED)

	Six months ended 30 June			
	2025		2024	
	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000	(Reviewed) QR'000
Balance at beginning of the period		1,235,052		1,063,093
Net profit of the Company	329,090		294,641	
License fee amortisation	42,046		42,046	
Transfer to distributable profits		371,136		336,687
Transfer to legal reserve		(18,557)		(16,834)
Dividends declared for the year 2024/2023		(507,240)		(464,970)
Contribution to Social and Sports fund		(8,216)		(7,329)
Balance at period end		1,072,175		910,647

16 HEDGING RESERVE

The Group designated forward foreign currency contracts as cash flow hedges to manage the risk associated with highly probable future payments in the EURO currency. The forecasted purchases at the time of designation are expected to occur between July 2024 and June 2028. For the period ended 30 June 2025, the effective portion of gain on cash flow hedge is QR 9.7 million (30 June 2024: the effective portion of loss on cash flow hedge is QR 2.2 million) and is included in the interim condensed consolidated statement of comprehensive income.

17 LOANS AND BORROWINGS

Type	Currency	Profit rate	Maturity	30 June 2025 (Reviewed) QR'000	31 December 2024 (Audited) QR'000
Secured ⁽ⁱ⁾	QR	QMRL - Margin	31 August 2026	577,869	352,060
Secured ⁽ⁱⁱ⁾	QR	QMRL - Margin	3 years from execution date	125,125	25,338
				702,994	377,398
				30 June 2025 (Reviewed) QR'000	31 December 2024 (Audited) QR'000
Balance at beginning of the period / year				377,398	429,868
Proceeds during the period / year				325,000	440,000
Repayments during the period / year				-	(492,500)
Finance cost incurred during the period / year				13,950	33,516
Finance cost paid during the period / year				(13,354)	(33,486)
				702,994	377,398

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

Non-current liabilities	700,000	375,000
Current liabilities	2,994	2,398
	702,994	377,398



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For the six months period ended 30 June 2025

17 LOANS AND BORROWINGS (CONTINUED)

- (i) The Group has a rollover Islamic financing facility of QR 1,211 million for general corporate purposes and capital expenditure (the “Rollover Facility”), The facility is secured over assets agreement and receivable asset agreement with carrying amount of QR 50 million.

The rollover facility mandates compliance with a covenant requiring the net debt to EBITDA (earnings before interest, tax, depreciation and amortisation) ratio less than 2.5:1.

- (ii) The Group has a Murabaha working capital (revolving) facility agreement with a local bank of QR 500 million (the “Murabaha Facility”), for working capital requirements. The Murabaha’s Facility principal is to be paid in bullet at final maturity and is secured over assignment of proceeds.

The Murabaha Facility mandates compliance with a covenant requiring the net debt to EBITDA ratio less than 2.5:1.

The Group has complied with covenant requirement of the above financing facilities during the six months period ended 30 June 2025.

18 PROVISIONS

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR’000	QR’000
Employees’ end of service benefits (note 18.1)	70,896	67,784
Asset retirement obligations (note 18.2)	43,748	42,102
	114,644	109,886

18.1 Employees’ end of service benefits

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR’000	QR’000
Balance at beginning of the period / year	67,784	62,099
Charge for the period / year	5,699	9,490
Payments during the period / year	(2,587)	(3,805)
Balance at end of the period/year	70,896	67,784

18.2 Asset retirement obligations

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR’000	QR’000
Balance at beginning of the period / year	42,102	48,334
Unwinding of discount during the period / year	1,361	3,297
Net addition to the provision during the period / year	285	1,429
Derecognition of asset retirement obligation	-	(10,958)
Balance at end of the period/year	43,748	42,102



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For the six months period ended 30 June 2025

19 TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Trade payables	436,259	520,214
Accruals	531,721	463,003
Contract liabilities	97,132	82,377
Regulatory and industry fee	71,129	109,631
Electronic wallet balances	61,161	18,896
Dividend payable	20,188	21,058
Payable to the Social and Sports Fund	8,216	15,017
Due to related parties (note 21)	280	29
Forward contract liability	-	5,308
Other payables	5,728	9,491
	1,231,814	1,245,024

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

	Carrying value	
	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Financial assets at amortised cost:		
Trade receivables -net	564,113	565,122
Cash and bank balances	373,445	145,010
Due from related parties	24,643	16,766
Deposits	7,813	8,468
Other receivables - net	8,365	6,439
	978,379	741,805
Financial liabilities at amortised cost:		
Trade payables	436,259	520,214
Loans and borrowings	702,994	377,398
Lease Liabilities	390,352	376,674
Dividend payable	20,188	21,058
Electronic wallet balances	61,161	18,896
Payable to the Social and Sports Fund	8,216	15,017
Due to related parties	280	29
Other payables	5,728	9,491
	1,625,178	1,338,777
Financial assets and liabilities at fair value:		
Forward contract asset	4,402	-
Forward contract liability	-	5,308
	4,402	5,308

**20 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)****Fair value hierarchy**

The Group hold the following financial instruments measured at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that is not based on observable market data.

	Level 1	Level 2	Level 3	Total
30 June 2025 (reviewed)	QR'000	QR'000	QR'000	QR'000
<i>Financial assets measured at fair value</i>				
Forward contract asset	-	4,402	-	4,402
31 December 2024 (audited)	QR'000	QR'000	QR'000	QR'000
<i>Financial liabilities measured at fair value</i>				
Forward contract liability	-	5,308	-	5,308

The following table provides a movement of other comprehensive income items, resulting from cash flow hedge accounting.

	30 June 2025 (Reviewed) QR'000	31 December 2024 (Audited) QR'000
Balance at beginning of the period / year	(5,308)	-
Changes in fair value due to foreign currency risk for the period / year (Effective portion of cash flow hedge)	9,710	(5,308)
Balance as the end of the period / year	4,402	(5,308)

21 RELATED PARTY TRANSACTIONS

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

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

	Six months ended 30 June	
	2025 (Reviewed) QR'000	2024 (Reviewed) QR'000
<i>Sales of goods and services:</i>		
Related parties	11,715	10,246
<i>Purchases of goods and services:</i>		
Related parties	3,898	15,572



21 RELATED PARTY TRANSACTIONS (CONTINUED)

The following are balances arising from transactions with related parties are as follows

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
<i>Due from related parties:</i>		
Related parties	24,643	16,766
<i>Due to related parties:</i>		
Related parties	280	29

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. Compensations of key management personnel are as follows:

	Six months ended 30 June	
	2025	2024
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Salaries and short-term benefits	23,779	20,739
Employees' end of service benefits	480	457
	24,259	21,196

22 DIVIDENDS

On 27 January 2025, the Board of Directors proposed a cash dividend of 12% of the nominal share value amounting to QR 507 million (QR 0.12 per share with nominal value of QR 1 each). The proposed dividend was subsequently approved by the shareholders during the Annual General Assembly Meeting held on 24 February 2025.

23 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the interim condensed consolidated financial statements	286,610	93,197

Contingent liabilities

	30 June 2025	31 December 2024
	(Reviewed)	(Audited)
	QR'000	QR'000
Performance bonds	45,243	44,682
Tender bonds	28,721	10,641
Credit and payment guarantee – third party indebtedness	49,565	49,316



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24 SEGMENT INFORMATION

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

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

		Six months ended 30 June					
		2025			2024		
		Consumer	Enterprise & others	Total	Consumer	Enterprise & others	Total
		(Reviewed)			(Reviewed)		
		QR'000			QR'000		
Segment revenue							
Timing of revenue recognition:							
	Over time	934,207	619,384	1,553,591	886,594	541,308	1,427,902
	Point in time	4,503	193,801	198,304	3,084	154,147	157,231
		938,710	813,185	1,751,895	889,678	695,455	1,585,133
Unallocated costs							
	Interconnection and other direct expenses			(625,469)			(517,096)
	Network and other operational expenses			(226,883)			(238,639)
	Employee salaries and benefits			(147,735)			(140,372)
	Depreciation and amortisation expenses			(349,406)			(319,967)
	Expected credit loss			(19,832)			(17,225)
	Finance costs			(13,950)			(18,626)
	Other financing costs			(11,450)			(14,511)
	Other income			5,383			4,395
Profit before tax related fees				362,553			323,092
	Tax related fees			(33,925)			(29,925)
Profit for the period				328,628			293,167

The Group's assets and liabilities have not been identified to any of the reportable segments as the majority of the operating fixed assets are fully integrated between segments.

The Group believes that it is not practical to provide segment disclosure relating to total costs, assets, and liabilities since a meaningful segregation of available data is not feasible.



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25 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these interim condensed consolidated financial statements.

(i) New currently effective requirements

The Group has applied the following new and revised IFRS Accounting Standards that have been issued and are effective for annual periods beginning on or after 1 January 2025:

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21

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

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

The following new and amendments standards are not expected to have a significant impact on Group's interim condensed consolidated financial statements.

Effective date	New standards or amendments
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
1 January 2027	Annual Improvements to IFRS Accounting Standards – Volume 11 IFRS 18 Presentation and Disclosure in Financial Statements IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

26 OFFSETTING

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

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

	Gross amounts	Offsetting amounts	Net amounts
	QR'000	QR'000	QR'000
Current assets			
As at 30 June 2025 (reviewed)			
Trade and other receivables	<u>670,602</u>	<u>(77,344)</u>	<u>593,258</u>
As at 31 December 2024 (audited)			
Trade and other receivables	<u>562,341</u>	<u>(65,850)</u>	<u>496,491</u>

**26 OFFSETTING (CONTINUED)**

	Gross amounts	Offsetting amounts	Net amounts
	QR'000	QR'000	QR'000
Current liabilities			
As at 30 June 2025 (reviewed)			
Trade and other payables	1,266,095	(34,281)	1,231,814
Lease liabilities	208,251	(43,063)	165,188
	<u>1,474,346</u>	<u>(77,344)</u>	<u>1,397,002</u>
As at 31 December 2024 (audited)			
Trade and other payables	1,267,811	(22,787)	1,245,024
Lease liabilities	192,789	(43,063)	149,726
	<u>1,460,600</u>	<u>(65,850)</u>	<u>1,394,750</u>