

**Wataniya Palestine Mobile
Telecommunication Public
Shareholding Company (Ooredoo
Palestine)**

Unaudited Condensed Interim Financial Information
For the Three Months Ended March 31, 2023

And Report on Review of Interim Financial Information

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March
31, 2023

CONTENTS

PAGES

<i>Report on review of interim financial information</i>	<i>2</i>
<i>Condensed interim statement of financial position</i>	<i>3</i>
<i>Condensed interim statement of profit or loss</i>	<i>4</i>
<i>Condensed interim statement of comprehensive income</i>	<i>5</i>
<i>Condensed interim statement of changes in equity</i>	<i>6</i>
<i>Condensed interim statement of cash flows</i>	<i>7</i>
<i>Notes to the unaudited condensed interim financial information</i>	<i>8</i>



Report on review of interim financial information

To the Chairman and Board of Directors of Wataniya Palestine Mobile Telecommunication Public Shareholding Company

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Wataniya Palestine Mobile Telecommunication Public Shareholding Company “Ooredoo Palestine” (hereinafter the “Company”) as of March 31, 2023 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (34), 'Interim financial reporting' as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.


Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) “Interim financial reporting”.

For and on behalf of PricewaterhouseCoopers Limited – Palestine
License number 207/2012


Hazem Sababa
License number 115/2003

April 27, 2023
Place: Ramallah, Palestine

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	As at March 31, 2023 (Unaudited)	As at December 31, 2022 (Audited)
ASSETS			
Non-current assets			
Property and equipment	(3)	57,689,366	59,507,149
Right of use assets	(4)	11,315,570	11,134,783
Intangible assets	(5)	88,335,275	89,815,728
Other non-current assets		994,963	1,177,849
Deferred tax asset		782,868	795,623
Total non-current assets		159,118,042	162,431,132
Current assets			
Inventories		1,950,603	1,931,080
Other current assets		2,938,493	2,307,368
Trade and other receivables	(6)	16,761,283	16,933,887
Bank balances and cash	(7)	80,887,621	73,125,766
Total current assets		102,538,000	94,298,101
Total assets		261,656,042	256,729,233
EQUITY AND LIABILITIES			
Equity			
Share capital		293,000,000	293,000,000
Share premium		11,610,000	11,610,000
Accumulated losses		(166,670,626)	(170,964,781)
Total equity		137,939,374	133,645,219
Liabilities			
Non-current liabilities			
Lease liabilities	(8)	6,095,194	6,245,612
Employees' benefit		7,828,678	7,956,233
Provision		44,871,337	44,871,337
Total non-current liabilities		58,795,209	59,073,182
Current liabilities			
Trade and other payables	(9)	53,002,341	51,850,729
Deferred income		3,380,347	4,384,683
Income tax payable	(10)	4,332,274	3,863,202
Lease liabilities	(8)	4,206,497	3,912,218
Total current liabilities		64,921,459	64,010,832
Total liabilities		123,716,668	123,084,014
Total equity and liabilities		261,656,042	256,729,233

- The above unaudited condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 17.

- The financial information on pages 3 to 17 were approved and authorized for issuance by the Management on April 13, 2023, and were signed on its behalf by:

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the three months ended March 31

	Note	2023 (Unaudited)	2022 (Unaudited)
Revenue	(11)	27,694,160	28,760,928
Network, interconnect, and other operating expenses	(12)	(12,574,695)	(13,437,832)
Employees' salaries and associated costs		(4,697,435)	(5,486,497)
Depreciation and amortization	(3,4,5)	(5,847,849)	(5,626,245)
Finance costs	(13)	(177,724)	(168,002)
Finance income		549,314	268,095
Other (losses)/gains - net		(169,789)	60,288
Profit before income tax		4,775,982	4,370,735
Income tax expense	(10)	(481,827)	(456,136)
Profit for the period		4,294,155	3,914,599
Basic and diluted earnings per share for the period	(14)	0.0147	0.0134

The above unaudited condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 17.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March
31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended March 31

	2023 (Unaudited)	2022 (Unaudited)
Profit for the period	4,294,155	3,914,599
Other comprehensive income for the period	-	-
Total comprehensive income for the period	4,294,155	3,914,599

The above unaudited condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 17.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months period ended March 31

	Share capital	Share premium	Accumulated losses	Total Equity
Balance at January 1, 2022	293,000,000	11,610,000	(187,601,079)	117,008,921
Profit for the period	-	-	3,914,599	3,914,599
Balance at March 31, 2022	293,000,000	11,610,000	(183,686,480)	120,923,520
Balance at January 1, 2023	293,000,000	11,610,000	(170,964,781)	133,645,219
Profit for the period	-	-	4,294,155	4,294,155
Balance at March 31, 2023	293,000,000	11,610,000	(166,670,626)	137,939,374

The above unaudited condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 17.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the three months period ended March 31

	Note	2023 (Unaudited)	2022 (Unaudited)
Cash flow from operating activities			
Profit before income tax		4,775,982	4,370,735
Adjustments for:			
Depreciation of property and equipment	(3)	2,832,151	3,034,837
Depreciation of right of use assets	(4)	1,153,388	767,609
Amortizations	(5)	1,862,310	1,823,799
Provision for employees' benefits		272,911	281,488
Loans interests	(13)	-	8,659
Lease contracts interest in accordance with IFRS (16)	(13)	162,724	144,548
Interest income		(549,314)	(268,095)
Non-monetary items		(312,081)	(402,360)
(Provision)/reversal of assets classified as held for disposal	(3)	(82)	185,573
(Gain) on disposal of property and equipment		(22,711)	(2,449)
		10,175,278	9,944,344
Change in working capital:			
Inventories		(19,523)	(20,809)
Other current assets		(631,125)	(215,916)
Trade and other receivables	(6)	2,056	118,173
Trade and other payables	(9)	1,357,246	642,206
Deferred income		(1,004,336)	(815,814)
Net cash flows provided by operating activities before payments of employees' benefits		9,879,596	9,652,184
Payments of employees' benefits		(400,466)	(265,094)
Net cash flows provided by operating activities		9,479,130	9,387,090
Cash flow from investing activities			
Payments for property and equipment	(3)	(1,392,325)	(928,894)
Proceeds from sale of property and equipment	(3)	22,793	2,449
Payments for intangible assets	(5)	(3,900)	-
Net movement in restricted cash	(7)	(34,618)	(10,438,974)
Net movement in short-term deposits	(7)	(2,485,396)	718,526
Net movement in other non-current assets		182,886	(226,380)
Interest income received		828,573	224,180
Net cash used in investing activities		(2,881,987)	(10,649,093)
Cash flows from financing activities			
Principal elements of lease payments	(8)	(1,296,201)	(1,520,961)
Interests paid		(59,101)	(22,394)
Net cash used in financing activities		(1,355,302)	(1,543,355)
Net increase/ (decrease) in cash on hand and at banks	(7)	5,241,841	(2,805,358)
Bank balances and cash, beginning of the period		59,368,485	37,839,531
Bank balances and cash, end of the period	(7)	64,610,326	35,034,173

- The above unaudited condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 17.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

1. GENERAL

Wataniya Palestine Mobile Telecommunication Company “Ooredoo Palestine” (the Company), located in Ramallah, was registered and incorporated in Palestine on January 27, 2007 as a Private Limited Shareholding Company under registration No. 562499541. On October 25, 2010, the legal form of the Company was changed to a Public Shareholding Company under registration No. 562601328.

The Company was formed with an authorized share capital of 5,000,000 shares with USD 1 par value each. During 2008, the Company’s authorized and paid-in share capital was increased to 170,000,000 shares with USD 1 par value each. The Company’s General Assembly in its extraordinary meeting held on October 25, 2010 resolved to increase the Company’s authorized share capital to 258,000,000 shares with USD 1 par value each. The existing shareholders Wataniya International FZ - LLC (WIL) and Palestine Investment Fund, PLC (PIF) subscribed for 49,300,000 shares through capitalizing a portion of the shareholders’ loans and the related accrued interest. The remaining 38,700,000 shares were offered to the public at an offer price of USD 1.3 per share, resulting in a share premium of USD 11,610,000. The public offering took place during the period from November 7, 2010 to December 2, 2010. On January 23, 2018 and during the extraordinary meeting of the General Assembly of the Company, the shareholders approved increasing the capital of Wataniya Palestine Mobile Telecommunication Limited Company through offering 35,000,000 more shares for public subscription to increase the capital from USD 258,000,000 to USD 293,000,000 with USD 1 par value each.

On March 14, 2007, the Company entered into a license agreement (the License) with the Ministry of Telecommunications and Information Technology (the MTIT) to provide 2G and 3G mobile services in the West Bank and Gaza. The term of the License is for fifteen years from the effective date being the date on which the MTIT makes the frequencies available to the Company. The effective date was originally set on August 6, 2008. On December 16, 2009, the MTIT approved the Company’s request to determine September 10, 2009 as the effective date, instead of August 6, 2008, since it represents the date on which only 2G frequencies were allocated. On March 16, 2015, the MTIT approved to extend the terms of the license useful life for additional five years.

The Company started its operations on November 1, 2009.

The Company is a subsidiary of National Mobile Telecommunications Company K.S.C.P. (“the Parent company”), which in turn is a subsidiary of Ooredoo Q.P.S.C. (“the Ultimate Parent Company”), a Qatari Shareholding company whose shares are listed on the Qatar Exchange.

On November 27, 2018, the Company has officially rebranded as Ooredoo Palestine the rebrand of Wataniya Mobile is part of Ooredoo Group's strategy.

The Company’s main activities are offering, managing, and selling wireless telecommunication services, as well as constructing and operating wireless telecommunication stations and telephone networks.

The unaudited condensed interim financial information of the Company as of March 31, 2023 was authorized for issue in accordance with the Board of Directors resolution on April 13, 2023.

The accompanying condensed interim financial information was reviewed and not audited.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed interim financial information of the Company for the three months ended March 31, 2023 has been prepared in accordance with the International Accounting Standard 34, "Interim financial reporting".

The unaudited condensed interim financial information has been prepared under the historical cost basis.

The unaudited condensed interim financial information is presented in United States Dollar, which is the functional currency of the Company.

The unaudited condensed interim financial information has not included all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2022. The results for the period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Company:

A number of new or amended standards became applicable for the current reporting period. The company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards

New and amended standards and interpretations must be adopted in the first interim financial information issued after their effective date or date of early adoption. There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after January 1, 2023 and entities will need to consider whether any of these amendments could affect their existing accounting policies for their 2023 interim financial information:

- Amendments to IFRS 17 and IFRS 4 - Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.

2.3 Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company's management continually evaluates its estimates, assumptions and judgments based on available information and previous experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates, and this may require adjusting the book values of the assets or liabilities in the future.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Use of estimates (continued)

The areas involving a higher degree of judgement or complexity are described below:

Useful life of tangible and intangible assets:

The Company's management reassesses the useful lives of tangible and intangible assets, and adjusts if applicable, at each financial year-end.

Provision for impairment of accounts receivable:

The Company has applied a simplified approach model to measure expected credit losses. The calculation of expected credit losses depends on the PD, which is calculated according to the credit risk, economic factors and the LGD, which is based on the grouping of receivables based on similar credit risk characteristics and the number of past-due days. Accordingly, the Company adopted a mathematical model based on the above-mentioned principles to calculate expected credit losses in accordance with IFRS (9).

2.4 Risk management

The Company manages various risks through a strategy that identifies those risks and the procedures to mitigate them by applying a reporting system aiming to review and adopt appropriate risk mitigating procedures. In addition, the business units are responsible for identifying risks associated with their operations and to apply and monitor appropriate control procedures. The overall responsibility of managing and monitoring the risks of the Company rests with the Board of Directors. The unaudited condensed interim financial information does not include all information and disclosures required in the annual financial statements under risk management and should be read in conjunction with the Company's annual financial statements as at December 31, 2022 which were prepared under the international financial reporting standards.

2.5 Fair value of financial instruments

The table below presents a comparison between the book values and the fair values of the financial instruments as classified on March 31, 2023 and December 31, 2022:

	Carrying Value		Market Value	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Financial Assets				
Trade and other receivables	16,761,283	16,933,887	16,761,283	16,933,887
Bank balances and cash	80,887,621	73,125,766	80,887,621	73,125,766
	97,648,904	90,059,653	97,648,904	90,059,653
Financial Liabilities				
Trade and other payable (after excluding legal obligations that represent due to the VAT department in addition to deduction of employees' salary income tax deductions)	49,537,606	48,741,529	49,537,606	48,741,529
	49,537,606	48,741,529	49,537,606	48,741,529

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March
31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Fair value of financial instruments (continued)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

- The fair values of trade receivable, other current assets, cash and cash equivalents, accounts payable, accrued project costs and other current liabilities largely approximate their carrying amounts due to the short-term maturities of these instruments.
- The fair value of other current assets was calculated after excluding prepaid expenses.
- The fair value of other current liabilities was calculated after excluding the due to VAT and employees' vacations provision.
- The fair value of interest-bearing loans and borrowings and non-current liabilities is estimated by discounting future cash flows using rates currently available for debt.

2.6 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of its financial instruments:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023
(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

3. PROPERTY AND EQUIPMENT

Details:

	Network and infrastructure	Building	Land	Computers and office equipment	Furniture and fixtures	Decorations and leasehold improvements	Others	Work in process	Total
Cost									
Balance as of January 1, 2023	128,263,292	2,241,082	1,662,552	17,213,686	2,944,748	9,591,303	279,403	5,151,043	167,347,109
Transfers from projects in progress	1,022,332	-	-	206,910	4,445	40,705	-	(1,652,349)	(377,957)
Additions	188,427	-	-	13,663	9,358	24,762	-	1,156,115	1,392,325
Disposals	(6,448)	-	-	-	-	-	-	-	(6,448)
Assets classified as held for disposal	82	-	-	-	-	-	-	-	82
Balance as of March 31, 2023	129,467,685	2,241,082	1,662,552	17,434,259	2,958,551	9,656,770	279,403	4,654,809	168,355,111
Accumulated depreciation:									
Balance as of January 1, 2023	80,797,929	168,081	-	15,475,930	2,570,008	8,746,101	81,911	-	107,839,960
Depreciation for the period	2,420,404	14,007	-	274,118	37,738	76,749	9,135	-	2,832,151
Disposals	(6,366)	-	-	-	-	-	-	-	(6,366)
Balance as of March 31, 2023	83,211,967	182,088	-	15,750,048	2,607,746	8,822,850	91,046	-	110,665,745
Net book value:									
As at March 31, 2023	46,255,718	2,058,994	1,662,552	1,684,211	350,805	833,920	188,357	4,654,809	57,689,366
As at December 31, 2022	47,465,363	2,073,001	1,662,552	1,737,756	374,740	845,202	197,492	5,151,043	59,507,149

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

4. RIGHT OF USE ASSETS

Details:

	March 31, 2023	December 31, 2022
Balance, beginning of the period	11,134,783	6,780,655
Additions	1,334,175	8,033,301
Depreciation	(1,153,388)	(3,679,173)
Balance, end of the period	11,315,570	11,134,783

5. INTANGIBLE ASSETS

Details:

	License	Software	Total
Cost			
Balance as of January 1, 2023	184,871,337	36,111,384	220,982,721
Transfers from projects in progress	-	377,957	377,957
Additions	-	3,900	3,900
Balance as of March 31, 2023	184,871,337	36,493,241	221,364,578
Accumulated Amortization			
Balance as of January 1, 2023	99,542,406	31,624,587	131,166,993
Amortization for the period	1,489,846	372,464	1,862,310
Balance as of March 31, 2023	101,032,252	31,997,051	133,029,303
Net Book Value			
As at March 31, 2023	83,839,085	4,496,190	88,335,275
As at December 31, 2022	85,328,931	4,486,797	89,815,728

6. TRADE AND OTHER RECEIVABLES

Details:

	March 31, 2023	December 31, 2022
Trade receivables	9,180,639	9,579,365
Unbilled	9,676,377	9,165,663
Others	4,731,845	5,125,148
	23,588,861	23,870,176
Provision for impairment of trade receivables	(6,827,578)	(6,936,289)
	16,761,283	16,933,887

The following is a summary of the movement on the provision for impairment of trade receivables during the period:

	March 31, 2023	December 31, 2022
Balance, beginning of the period	6,936,289	7,829,633
Currency differences	(108,711)	(893,344)
Balance, end of the period	6,827,578	6,936,289

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

7. BANK BALANCES AND CASH

Details:

For the purpose of the condensed interim statement of cash flows, cash and cash equivalents comprise the following items:

	March 31, 2023	March 31, 2022
Bank balances, short term deposits and cash in hand (i)	80,392,913	51,034,173
Restricted cash	494,708	193,312
	80,887,621	51,227,485
Less:		
Deposits with maturity of more than three months	(15,782,587)	(16,000,000)
Restricted deposits (ii)	(494,708)	(193,312)
Cash and cash equivalents as per statement of cash flows	64,610,326	35,034,173

(i) As of March 31, 2023, the Company had short-term deposits amounting to USD 79,785,369 (March 31, 2022: USD 49,252,985) at local banks.

(ii) The balance pertains restricted cash deposits with banks related to issuance of bank guarantees, and letters of credit.

8. LEASE LIABILITIES

Details:

	March 31, 2023	December 31, 2022
Balance, beginning of the period	10,157,830	7,745,592
Interest	162,724	602,821
Additions	1,334,175	8,033,301
Principle elements of lease payments	(1,296,201)	(5,680,822)
Currency differences	(56,837)	(543,062)
Balance, end of the period	10,301,691	10,157,830

	March 31, 2023	December 31, 2022
Non-current lease liability	6,095,194	6,245,612
Current lease liability	4,206,497	3,912,218
Balance, end of the period	10,301,691	10,157,830

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

9. TRADE AND OTHER PAYABLES

Details:

	March 31, 2023	December 31, 2022
Trade payables	11,734,724	11,373,025
Accrued expenses	24,577,646	23,417,447
Payroll accrued costs	8,053,969	8,293,653
Accrued project cost	4,754,842	5,169,160
Other taxes payables	962,196	782,241
Other payables	2,918,964	2,815,203
	53,002,341	51,850,729

10. INCOME TAX PAYABLE

Details:

The movement on the income tax provision is as follows:

	March 31, 2023	December 31, 2022
Balance, beginning of the period	3,863,202	2,015,178
Provision for the period	469,072	1,848,024
Balance, end of the period	4,332,274	3,863,202

The income tax expense on the statement of profit or loss represents the following:

	March 31, 2023	March 31, 2022
Provision for the period	(469,072)	(457,776)
Deferred tax asset	(12,755)	1,640
Income tax expense for the period	(481,827)	(456,136)

According to the Palestinian Investment Promotion Agency certificate issued on October 27, 2009, the Company was granted the right to benefit from the Palestinian Law for Encouragement of Investment. Accordingly, the Company is granted full exemption from income tax for a period of five years starting from the year in which the Company commenced its operations. In addition, the Company's taxable income will be subject to 50% of the nominal tax rate until December 31, 2030 (10% instead of 20%). During 2012, the Company agreed at the request of Palestinian Ministry of Finance to voluntarily defer the full income tax exemption for the years 2012 and 2013. Therefore, the full income tax exemption is extended until 2016. During 2017, the company has reached a clearance with the Palestinian tax department for the years 2009 to 2016. The company did not reach into a clearance for its business results for the years 2017 to 2022.

11. REVENUE

Details:

	March 31, 2023	March 31, 2022
Telecommunication services	24,904,701	26,579,670
Others	2,789,459	2,181,258
	27,694,160	28,760,928
At a point in time	1,982,306	1,450,588
Over time	25,711,854	27,310,340
	27,694,160	28,760,928

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

12. NETWORK, INTERCONNECT AND OTHER OPERATING EXPENSES

Details:

	March 31, 2023	March 31, 2022
Outpayment and interconnect charges	3,024,666	3,498,824
Cost of equipment sold and other services	1,891,320	1,395,977
Network operations and maintenance	1,714,698	1,533,784
Regulatory and related fees	1,565,252	1,653,103
Rentals and utilities*	1,339,777	1,672,389
Commissions of cards	1,266,180	1,497,156
Marketing cost and sponsorship	489,109	506,956
Legal and professional fees	59,503	127,773
Other expenses	1,224,190	1,551,870
	12,574,695	13,437,832

13. FINANCE COSTS

Details:

	March 31, 2023	March 31, 2022
Loans interests	-	8,659
Other finance charges	15,000	14,795
Lease contracts interest in accordance with IFRS (16)	162,724	144,548
	177,724	168,002

14. BASIC AND DILUTED EARNINGS PER SHARE

Details:

	March 31, 2023	March 31, 2022
Profit for the period	4,294,155	3,914,599
Weighted average number of shares	293,000,000	293,000,000
Basic and diluted earnings per share for the period	0.0147	0.0134

15. COMMITMENTS AND CONTINGENCIES

As at the unaudited condensed interim financial information date, the Company has outstanding contractual commitments resulting from purchases, services, and construction contracts as well as its license.

Following is a summary of the outstanding commitments:

	March 31, 2023	December 31, 2022
Contracts and purchase orders	14,418,079	22,537,498
License *	169,128,663	169,128,663

* The Company entered into a license agreement with MTIT for a total amount of USD 354,000,000. The unpaid portion of the license cost, net of the related non-current liability, of USD 169,128,663 represents the unrecognized liability in the unaudited condensed interim financial information resulting from MTIT not fulfilling its obligations in relation with granting the Company access to Gaza and 3G frequencies amongst other things.

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the three months ended March 31, 2023

(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

16. RELATED PARTY TRANSACTIONS

Related parties represent associated companies, shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the unaudited condensed interim statement of financial position were as follows:

	Nature of relationship	March 31, 2023	December 31, 2022
Due to related parties	Shareholders and affiliates	1,405,886	1,396,835

Transactions with related parties included in the interim statement of profit or loss were as follows:

	Nature of relationship	March 31, 2023	March 31, 2022
Company's key management personnel compensation	Key management	378,288	475,949
Revenue from shareholders	Shareholders	1,487	2,237

17. SEGMENT REPORTING

The Company's business segments are presented according to the nature of the Company's activities, as the risks and the rate of return are fundamentally affected by the different services. The Company's services consist of telecommunication and others.

	Telecommunication	Others	Total
March 31, 2023			
Revenues	24,904,701	2,789,459	27,694,160
At a point in time	-	1,982,306	1,982,306
Over time	24,904,701	807,153	25,711,854
Results of activities			
Profit for the period	3,275,515	1,018,640	4,294,155
Other information			
Depreciation and amortization	5,436,102	411,747	5,847,849
Capital expenditures	1,348,442	47,783	1,396,225
	Telecommunication	Others	Total
March 31, 2022			
Revenues	26,579,670	2,181,258	28,760,928
At a point in time	-	1,450,588	1,450,588
Over time	26,579,670	730,670	27,310,340
Results of activities			
Profit for the period	2,294,852	1,619,747	3,914,599
Other information			
Depreciation and amortization	5,136,781	489,464	5,626,245
Capital expenditures	926,397	2,497	928,894