

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

Unaudited Condensed Interim Financial Information  
For the Six Months Ended June 30, 2023

**And Report on Review of the Condensed Interim Financial  
Information (Unaudited)**

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

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## **Report on Review of the Condensed Interim Financial Information (Unaudited)**

### **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 June 30, 2023 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months and six-months periods then ended, and condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-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.

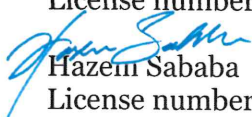
#### **Scope of review**

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

July 26, 2023  
Place: Ramallah, Palestine

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

(All amounts expressed in US Dollar unless otherwise stated)

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	As at June 30, 2023 (Unaudited)	As at December 31, 2022* (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	(3)	55,455,908	58,530,676
Right of use assets	(4)	10,333,820	11,134,783
Intangible assets	(5)	88,377,306	90,792,201
Other non-current assets		573,463	1,177,849
Deferred tax asset		825,755	795,623
<b>Total non-current assets</b>		<b>155,566,252</b>	<b>162,431,132</b>
<b>Current assets</b>			
Inventories		2,052,470	1,931,080
Other current assets		3,234,418	2,307,368
Trade and other receivables	(6)	18,446,839	16,933,887
Bank balances and cash	(7)	78,958,975	73,125,766
<b>Total current assets</b>		<b>102,692,702</b>	<b>94,298,101</b>
<b>Total assets</b>		<b>258,258,954</b>	<b>256,729,233</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		293,000,000	293,000,000
Share premium		11,610,000	11,610,000
Accumulated losses		(161,702,987)	(170,964,781)
<b>Total equity</b>		<b>142,907,013</b>	<b>133,645,219</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	(8)	5,068,239	6,245,612
Employees' benefit		8,257,549	7,956,233
Provision		44,871,337	44,871,337
<b>Total non-current liabilities</b>		<b>58,197,125</b>	<b>59,073,182</b>
<b>Current liabilities</b>			
Trade and other payables	(9)	46,075,862	51,850,729
Deferred income		3,533,526	4,384,683
Income tax payable	(10)	3,442,487	3,863,202
Lease liabilities	(8)	4,102,941	3,912,218
<b>Total current liabilities</b>		<b>57,154,816</b>	<b>64,010,832</b>
<b>Total liabilities</b>		<b>115,351,941</b>	<b>123,084,014</b>
<b>Total equity and liabilities</b>		<b>258,258,954</b>	<b>256,729,233</b>

\*Reclassified – Please refer to note 18 “Comparative figures”

- The above condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 19.
- The financial information on pages 3 to 19 was approved and authorized for issuance by the Board of Directors on July 20, 2023.



# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30, 2023  
(All amounts expressed in US Dollar unless otherwise stated)

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	For the three months period ended June 30,		For the six months period ended June 30,	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue	(11)	27,976,172	28,769,198	55,670,332	57,530,126
Network, interconnect, and other operating expenses	(12)	(12,532,117)	(13,744,947)	(25,106,812)	(27,182,779)
Employees' salaries and associated costs		(4,695,173)	(5,538,991)	(9,392,608)	(11,025,488)
Depreciation and amortization	(3,4,5)	(5,809,911)	(5,760,003)	(11,657,760)	(11,386,248)
Finance costs	(13)	(155,783)	(172,006)	(333,507)	(340,008)
Finance income		585,954	325,998	1,135,268	594,093
Other losses - net		47,038	(274,285)	(122,751)	(213,997)
<b>Profit before income tax expense</b>		<b>5,416,180</b>	<b>3,604,964</b>	<b>10,192,162</b>	<b>7,975,699</b>
Income tax expense	(10)	(448,541)	(352,904)	(930,368)	(809,040)
<b>Profit for the period</b>		<b>4,967,639</b>	<b>3,252,060</b>	<b>9,261,794</b>	<b>7,166,659</b>
<b>Basic and diluted earnings per share from the period's profit</b>	(14)	<b>0.0170</b>	<b>0.0111</b>	<b>0.0316</b>	<b>0.0245</b>

The above condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 19.

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

*(All amounts expressed in US Dollar unless otherwise stated)*

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the three months period ended June 30,		For the six months period ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Profit for the period	4,967,639	3,252,060	9,261,794	7,166,659
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,967,639</b>	<b>3,252,060</b>	<b>9,261,794</b>	<b>7,166,659</b>

The above condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 19.

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

*(All amounts expressed in US Dollar unless otherwise stated)*

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	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	-	-	7,166,659	7,166,659
<b>Balance at June 30, 2022 (unaudited)</b>	<b>293,000,000</b>	<b>11,610,000</b>	<b>(180,434,420)</b>	<b>124,175,580</b>
<b>Balance at January 1, 2023</b>	<b>293,000,000</b>	<b>11,610,000</b>	<b>(170,964,781)</b>	<b>133,645,219</b>
Profit for the period	-	-	9,261,794	9,261,794
<b>Balance at June 30, 2023 (unaudited)</b>	<b>293,000,000</b>	<b>11,610,000</b>	<b>(161,702,987)</b>	<b>142,907,013</b>

The above condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 19.

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30, 2023

(All amounts expressed in US Dollar unless otherwise stated)

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six months period ended June 30

	Note	2023 (Unaudited)	2022 (Unaudited)
<b>Cash flow from operating activities</b>			
Profit for the period before tax		10,192,162	7,975,699
<b>Adjustments for:</b>			
Depreciation of property and equipment	(3)	5,666,330	6,050,696
Depreciation of right of use assets	(4)	2,287,979	1,649,357
Amortizations	(5)	3,703,451	3,686,195
Provision for employees' benefits		854,482	830,143
Loans interests	(13)	-	16,782
Lease contracts interest in accordance with IFRS (16)	(13)	303,507	293,473
Interest income		(1,135,268)	(594,093)
Non-monetary items		(542,899)	(1,987,120)
Loss of assets classified as held for disposal	(3)	42,897	176,927
Gain on disposal of property and equipment		(22,711)	(68,187)
		<b>21,349,930</b>	<b>18,029,872</b>
<b>Change in working capital:</b>			
Inventories		(121,390)	141,178
Other current assets		(927,050)	(830,207)
Trade and other receivables	(6)	(1,266,643)	398,407
Trade and other payable	(9)	(5,535,560)	2,442,975
Deferred income		(851,157)	(1,777,345)
<b>Net cash flows provided by operating activities before payments of employees' benefits and taxes paid</b>		<b>12,648,130</b>	<b>18,404,880</b>
Payments of employees' benefits		(553,166)	(906,675)
Payments of income tax		(1,381,215)	-
<b>Net cash flows provided by operating activities</b>		<b>10,713,749</b>	<b>17,498,205</b>
<b>Cash flow from investing activities</b>			
Payments for property and equipment	(3)	(2,634,541)	(3,352,995)
Payments for intangible assets	(5)	(1,288,556)	(21,295)
Proceeds from sale of property and equipment	(3)	22,793	79,416
Net movement in restricted cash	(7)	(26,634)	842,937
Net movement in short-term deposits	(7)	(651,084)	(1,673,078)
Net movement in other non-current assets		604,386	(65,227)
Interest income received		1,093,631	500,030
<b>Net cash used in investing activities</b>		<b>(2,880,005)</b>	<b>(3,690,212)</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments	(8)	(2,653,253)	(2,950,998)
Interests paid		(25,000)	(43,419)
<b>Net cash used in financing activities</b>		<b>(2,678,253)</b>	<b>(2,994,417)</b>
<b>Net increase in cash on hand and at banks</b>	(7)	<b>5,155,491</b>	<b>10,813,576</b>
Bank balances and cash, beginning of the period	(7)	59,368,485	37,671,160
<b>Bank balances and cash, end of the period</b>	(7)	<b>64,523,976</b>	<b>48,484,736</b>

- The above condensed interim financial information should be read in conjunction with the accompanying notes on pages 8 to 19.



# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

*(All amounts expressed in US Dollar unless otherwise stated)*

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## 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 June 30, 2023 was authorized for issue in accordance with the Board of Directors resolution on July 20, 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 six months ended June 30,  
2023

*(All amounts expressed in US Dollar unless otherwise stated)*

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## Notes to the unaudited condensed interim financial information

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The condensed interim financial information of the Company for the six months ended June 30, 2023 has been prepared in accordance with the International Accounting Standard 34, "Interim financial reporting".

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

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

The 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 June 30, 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. that affect the amounts of financial assets and liabilities and to disclose potential liabilities. Also, these estimates and judgments affect revenues, expenses and provisions, and in particular require the company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates (and in line with the company's annual financial information as of December 31, 2022, which were prepared in accordance with international accounting standards) are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions of and conditions for those estimates in the future.

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30, 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 trade and other receivables:*

The Company has applied a simplified approach model to measure expected credit losses. The calculation of expected credit losses depends on the probability of default, which is calculated according to the credit risk, economic factors and the loss given default, 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 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 of 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 June 30, 2023, and December 31, 2022:

	Carrying Value		Market Value	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Financial Assets</b>				
Trade and other receivables	18,446,839	16,933,887	18,446,839	16,933,887
Bank balances and cash	78,958,975	73,125,766	78,958,975	73,125,766
	<b>97,405,814</b>	<b>90,059,653</b>	<b>97,405,814</b>	<b>90,059,653</b>
<b>Financial Liabilities</b>				
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)	42,123,898	48,741,529	42,123,898	48,741,529
	<b>42,123,898</b>	<b>48,741,529</b>	<b>42,123,898</b>	<b>48,741,529</b>

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

*(All amounts expressed in US Dollar unless otherwise stated)*

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## Notes to the unaudited condensed interim financial information

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 Fair value of financial instruments (Continued)

Financial assets, other than bank balances and cash, consist of trade receivables and some other current assets. Financial liabilities consist of accounts payable, accrued project cost and some other current liabilities. The fair values of financial assets and financial liabilities approximate their carrying amounts.

#### 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 six months ended June 30, 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 and leasehold improvements	Others	Work in progress*	Total
<b>Cost</b>								
Balance as of January 1, 2023*	128,263,292	2,241,082	1,662,552	17,213,686	2,944,748	9,591,303	4,174,570	166,370,636
Transfers from work in progress	1,550,920	-	-	222,575	14,819	77,760	(1,866,074)	-
Additions	502,326	-	-	168,231	5,713	30,508	1,927,097	2,634,541
Disposals	(6,448)	-	-	-	-	-	-	(6,448)
Assets classified as held for disposal	(42,897)	-	-	-	-	-	-	(42,897)
<b>Balance as of June 30, 2023</b>	<b>130,267,193</b>	<b>2,241,082</b>	<b>1,662,552</b>	<b>17,604,492</b>	<b>2,965,280</b>	<b>9,699,571</b>	<b>4,235,593</b>	<b>168,955,832</b>
<b>Accumulated depreciation:</b>								
Balance as of January 1, 2023*	80,797,929	168,081	-	15,475,930	2,570,008	8,746,101	-	107,839,960
Depreciation for the period	4,825,039	28,014	-	562,624	74,852	157,401	-	5,666,330
Disposals	(6,366)	-	-	-	-	-	-	(6,366)
<b>Balance as of June 30, 2023</b>	<b>85,616,602</b>	<b>196,095</b>	<b>-</b>	<b>16,038,554</b>	<b>2,644,860</b>	<b>8,903,502</b>	<b>-</b>	<b>113,499,924</b>
<b>Net book value:</b>								
As at June 30, 2023	44,650,591	2,044,987	1,662,552	1,565,938	320,420	796,069	4,235,593	55,455,908
As at December 31, 2022*	47,465,363	2,073,001	1,662,552	1,737,756	374,740	845,202	4,174,570	58,530,676

\*Reclassified – Please refer to note 18 “Comparative figures”

# WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the six months ended June 30,  
2023

(All amounts expressed in US Dollar unless otherwise stated)

## Notes to the unaudited condensed interim financial information

### 4. RIGHT OF USE ASSETS

Details:

	June 30, 2023	December 31, 2022
<b>Balance, beginning of the period</b>	<b>11,134,783</b>	<b>6,780,655</b>
Additions	1,487,016	8,033,301
Depreciation	(2,287,979)	(3,679,173)
<b>Balance, end of the period</b>	<b>10,333,820</b>	<b>11,134,783</b>

### 5. INTANGIBLE ASSETS

Details:

	License	Software	Work in progress*	Total
<b>Cost</b>				
<b>Balance as of January 1, 2023*</b>	<b>184,871,337</b>	<b>36,111,384</b>	<b>976,473</b>	<b>221,959,194</b>
Transfers from work in progress	-	383,229	(383,229)	-
Additions	-	84,633	1,203,923	1,288,556
<b>Balance as of June 30, 2023</b>	<b>184,871,337</b>	<b>36,579,246</b>	<b>1,797,167</b>	<b>223,247,750</b>
<b>Accumulated Amortization</b>				
<b>Balance as of January 1, 2023*</b>	<b>99,542,406</b>	<b>31,624,587</b>	<b>-</b>	<b>131,166,993</b>
Amortization for the period	2,996,246	707,205	-	3,703,451
<b>Balance as of June 30, 2023</b>	<b>102,538,652</b>	<b>32,331,792</b>	<b>-</b>	<b>134,870,444</b>
<b>Net Book Value</b>				
<b>As at June 30, 2023</b>	<b>82,332,685</b>	<b>4,247,454</b>	<b>1,797,167</b>	<b>88,377,306</b>
As at December 31, 2022*	85,328,931	4,486,797	976,473	90,792,201

\*Reclassified – Please refer to note 18 “Comparative figures”

### 6. TRADE AND OTHER RECEIVABLES

Details:

	June 30, 2023	December 31, 2022
Trade receivables	9,798,845	9,579,365
Unbilled	9,842,348	9,165,663
Others	5,537,263	5,125,148
	<b>25,178,456</b>	<b>23,870,176</b>
Provision for impairment of trade receivables	(6,731,617)	(6,936,289)
	<b>18,446,839</b>	<b>16,933,887</b>



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## Notes to the unaudited condensed interim financial information

### 6. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	June 30, 2023	December 31, 2022
<b>Balance, beginning of the period</b>	<b>6,936,289</b>	7,829,633
Currency differences	(204,672)	(893,344)
<b>Balance, end of the period</b>	<b>6,731,617</b>	6,936,289

### 7. BANK BALANCES AND CASH

Details:

For the purpose of the condensed interim statement of cash flows, bank balances and cash comprise the following items.

	June 30, 2023	June 30, 2022
Bank balances, short term deposits and cash in hand	78,472,251	55,718,840
Restricted cash	486,724	68,901
	<b>78,958,975</b>	<b>55,787,741</b>
<i>Less:</i>		
Deposits with maturity of more than three months (i)	(13,948,275)	(7,234,104)
Restricted deposits (ii)	(486,724)	(68,901)
<b>Bank balances and cash as per statement of cash flows</b>	<b>64,523,976</b>	<b>48,484,736</b>

(i) As of June 30, 2023, the Company had deposits amounting to USD 77,724,826 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:

	June 30, 2023	December 31, 2022
<b>Balance, beginning of the period</b>	<b>10,157,830</b>	7,745,592
Interest	303,507	602,821
Additions	1,487,016	8,033,301
Principle elements of lease payments	(2,653,253)	(5,680,822)
Currency differences	(123,920)	(543,062)
<b>Balance, end of the period</b>	<b>9,171,180</b>	<b>10,157,830</b>

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### 8. LEASE LIABILITIES (CONTINUED)

	June 30, 2023	December 31, 2022
Non-current lease liability	5,068,239	6,245,612
Current lease liability	4,102,941	3,912,218
<b>Balance, end of the period</b>	<b>9,171,180</b>	<b>10,157,830</b>

### 9. TRADE AND OTHER PAYABLES

Details:

	June 30, 2023	December 31, 2022
Trade payables	11,523,017	11,373,025
Accrued expenses	21,729,092	23,417,447
Payroll accrued costs	2,576,558	8,293,653
Accrued project cost	5,812,231	5,169,160
Other taxes payables	1,120,699	782,241
Other payables	3,314,265	2,815,203
	<b>46,075,862</b>	<b>51,850,729</b>

### 10. INCOME TAX PAYABLE

Details:

The movement on the income tax provision is as follows:

	June 30, 2023	December 31, 2022
<b>Balance, beginning of the period</b>	<b>3,863,202</b>	<b>2,015,178</b>
Provision for the period	960,500	1,848,024
Income tax payments	(1,381,215)	-
<b>Balance, end of the period</b>	<b>3,442,487</b>	<b>3,863,202</b>

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

	June 30, 2023	June 30, 2022
Provision for the period	960,500	801,387
Deferred tax asset	(30,132)	7,653
<b>Income tax expense for the period</b>	<b>930,368</b>	<b>809,040</b>

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## Notes to the unaudited condensed interim financial information

### 10. INCOME TAX PAYABLE (CONTINUED)

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:

	June 30, 2023	June 30, 2022
Telecommunication services	50,211,814	53,040,113
Others	5,458,518	4,490,013
	<b>55,670,332</b>	<b>57,530,126</b>
Over time	51,984,645	54,517,122
At a point in time	3,685,687	3,013,004
	<b>55,670,332</b>	<b>57,530,126</b>

### 12. NETWORK, INTERCONNECT AND OTHER OPERATING EXPENSES

Details:

	June 30, 2023	June 30, 2022
Outpayment and interconnect charges	6,179,888	7,138,187
Cost of equipment sold and other services	3,435,693	2,881,218
Network operations and maintenance	3,383,015	3,059,213
Regulatory and related fees	3,168,842	3,287,305
Rentals and utilities	2,634,571	3,158,401
Commissions of cards	2,586,328	2,824,073
Marketing cost and sponsorship	1,310,651	1,584,857
Legal and professional fees	122,589	205,090
Other expenses	2,285,235	3,044,435
	<b>25,106,812</b>	<b>27,182,779</b>



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## Notes to the unaudited condensed interim financial information

### 13. FINANCE COSTS

Details:

	June 30, 2023	June 30, 2022
Loans interests	-	16,782
Other finance charges	30,000	29,753
Lease contracts interest in accordance with IFRS (16)	303,507	293,473
	<b>333,507</b>	<b>340,008</b>

### 14. BASIC AND DILUTED EARNINGS PER SHARE

Details:

	June 30, 2023	June 30, 2022
Profit for the period	9,261,794	7,166,659
Weighted average number of shares	293,000,000	293,000,000
Basic and diluted earnings per share for the period	0.0316	0.0245

### 15. COMMITMENTS AND CONTINGENCIES

As at 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:

	June 30, 2023	December 31, 2022
Contracts and purchase orders	12,318,645	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 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.

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## 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 condensed interim statement of financial position were as follows:

		June 30, 2023	December 31, 2022
Due to related parties	Shareholders and affiliates	1,423,300	1,396,835

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

		June 30, 2023	June 30, 2022
Company's key management personnel compensation	Key management	844,518	872,160
Revenue from shareholders	Shareholders	3,395	3,789

### 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
<b>June 30, 2023</b>			
<b>Revenues</b>	<b>50,211,814</b>	<b>5,458,518</b>	<b>55,670,332</b>
<b>Over time</b>	<b>50,211,814</b>	<b>1,772,831</b>	<b>51,984,645</b>
<b>At a point in time</b>	<b>-</b>	<b>3,685,687</b>	<b>3,685,687</b>
<b>Results of activities</b>			
<b>Profit for the period</b>	<b>6,933,018</b>	<b>2,328,776</b>	<b>9,261,794</b>
<b>Other information</b>			
<b>Depreciation and amortization</b>	<b>10,816,469</b>	<b>841,291</b>	<b>11,657,760</b>
<b>Capital expenditures</b>	<b>3,717,979</b>	<b>205,118</b>	<b>3,923,097</b>



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Notes to the unaudited condensed interim financial information

## 17. SEGMENT REPORTING (CONTINUED)

	Telecommunication	Others	Total
<b>June 30, 2022</b>			
Revenues	53,040,113	4,490,013	<b>57,530,126</b>
Over time	53,040,113	1,477,009	<b>54,517,122</b>
At a point in time	-	3,013,004	<b>3,013,004</b>
<b>Results of activities</b>			
Profit for the period	5,546,919	1,619,740	<b>7,166,659</b>
<b>Other information</b>			
Depreciation and amortization	10,352,572	1,033,676	<b>11,386,248</b>
Capital expenditures	3,314,006	60,289	<b>3,374,295</b>

## 18. COMPARATIVE FIGURES

Previously, the company has presented all capital work in progress as part of the property and equipment, including the portion relating to intangible assets in the audited financial statements as of December 31, 2022. During this period, the company has reclassified the work in progress relating to intangible assets (representing a software upgrade) from the work in progress category in property and equipment to the work in progress category in intangible assets for an amount of USD 976,473 as of December 31, 2022. Accordingly, management has amended the 2022 comparatives as summarized below. The re-presentations had no impact on the profit for the period, total assets, accumulated losses or total equity.

	December 31, 2022 Before reclassification	Reclassification	December 31, 2022 After reclassification
Property and equipment	59,507,149	(976,473)	58,530,676
Intangible assets	89,815,728	976,473	90,792,201
<b>Total non-current assets</b>	<b>162,431,132</b>	<b>-</b>	<b>162,431,132</b>