

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

Unaudited Condensed Interim Financial Information
For the Nine Months Ended September 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 nine months ended
September 30, 2023

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Report on Review of the Unaudited Condensed 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 September 30, 2023 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months and nine-months periods then ended, and condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine-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

November 5, 2023

Place: Ramallah, Palestine

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

Unaudited condensed interim financial information for the nine months ended
September 30, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	As at September 30, 2023 (Unaudited)	As at December 31, 2022* (Audited)
ASSETS			
Non-current assets			
Property and equipment	(3)	54,028,479	58,530,676
Right of use assets	(4)	9,588,930	11,134,783
Intangible assets	(5)	86,571,606	90,792,201
Other non-current assets		408,170	1,177,849
Deferred tax asset		816,333	795,623
Total non-current assets		151,413,518	162,431,132
Current assets			
Inventories		1,708,046	1,931,080
Other current assets		2,589,263	2,307,368
Trade and other receivables	(6)	16,668,817	16,933,887
Bank balances and cash	(7)	90,431,999	73,125,766
Total current assets		111,398,125	94,298,101
Total assets		262,811,643	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		(156,978,308)	(170,964,781)
Total equity		147,631,692	133,645,219
Liabilities			
Non-current liabilities			
Lease liabilities	(8)	4,445,548	6,245,612
Employees' benefit		8,163,330	7,956,233
Provision		44,871,337	44,871,337
Total non-current liabilities		57,480,215	59,073,182
Current liabilities			
Trade and other payables	(9)	46,704,697	51,850,729
Deferred income		3,001,890	4,384,683
Income tax payable	(10)	3,941,487	3,863,202
Lease liabilities	(8)	4,051,662	3,912,218
Total current liabilities		57,699,736	64,010,832
Total liabilities		115,179,951	123,084,014
Total equity and liabilities		262,811,643	256,729,233

*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 October 19, 2023.

Dr. Samer Fares
Chief Executive Officer

Ms. Nancy Shamieh
Finance Director

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

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

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

		For the three months period ended September 30, 2022		For the nine months period ended September 30, 2022	
	Note	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue	(11)	28,131,179	29,777,830	83,801,511	87,307,956
Network, interconnect, and other operating expenses	(12)	(12,940,119)	(12,134,893)	(38,046,931)	(39,317,672)
Employees' salaries and associated costs		(4,345,984)	(5,327,236)	(13,738,592)	(16,352,724)
Depreciation and amortization	(3,4,5)	(5,949,669)	(6,037,898)	(17,607,429)	(17,424,146)
Finance costs	(13)	(146,351)	(168,559)	(479,858)	(508,567)
Finance income		664,173	430,762	1,799,441	1,024,855
Other losses – net		(180,128)	(164,029)	(302,879)	(378,026)
Profit before income tax expense		5,233,101	6,375,977	15,425,263	14,351,676
Income tax expense	(10)	(508,422)	(620,209)	(1,438,790)	(1,429,249)
Profit for the period		4,724,679	5,755,768	13,986,473	12,922,427
Basic and diluted earnings per share from the period's profit	(14)	0.0161	0.0196	0.0477	0.0441

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 nine months ended
September 30, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the three months period ended September 30,		For the nine months period ended September 30,	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Profit for the period	4,724,679	5,755,768	13,986,473	12,922,427
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	4,724,679	5,755,768	13,986,473	12,922,427

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 nine months ended
September 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	-	-	12,922,427	12,922,427
Balance at September 30, 2022 (unaudited)	293,000,000	11,610,000	(174,678,652)	129,931,348
Balance at January 1, 2023	293,000,000	11,610,000	(170,964,781)	133,645,219
Profit for the period	-	-	13,986,473	13,986,473
Balance at September 30, 2023 (unaudited)	293,000,000	11,610,000	(156,978,308)	147,631,692

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 nine months ended
September 30, 2023

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CASH FLOWS For the nine months period ended September 30

	Note	2023 (Unaudited)	2022 (Unaudited)
Cash flow from operating activities			
Profit before income tax expense		15,425,263	14,351,676
Adjustments for:			
Depreciation of property and equipment	(3)	8,588,187	9,199,613
Depreciation of right of use assets	(4)	3,455,617	2,625,218
Amortizations	(5)	5,563,625	5,599,315
Provision for employees' benefits		1,124,466	1,129,635
Loans interests	(13)	-	19,101
Lease contracts interest in accordance with IFRS (16)	(13)	434,860	444,945
Interest income		(1,799,441)	(1,024,855)
Non-monetary items		(1,388,043)	(2,378,311)
Loss from the termination of lease contracts		18,519	-
Loss of assets classified as held for disposal	(3)	-	226,169
Gain on disposal of property and equipment		(33,231)	(22,207)
		31,389,822	30,170,299
Change in working capital:			
Inventories		223,034	370,722
Other current assets		(281,895)	(377,081)
Trade and other receivables	(6)	866,895	(684,582)
Trade and other payable	(9)	(4,638,177)	2,968,544
Deferred income		(1,382,793)	(2,350,301)
Net cash flows provided by operating activities before payments of employees' benefits and taxes paid		26,176,886	30,097,601
Payments of employees' benefits		(917,369)	(1,026,851)
Payments of income tax	(10)	(1,381,215)	-
Net cash flows provided by operating activities		23,878,302	29,070,750
Cash flow from investing activities			
Payments for property and equipment	(3)	(4,138,435)	(5,364,978)
Payments for intangible assets	(5)	(1,343,030)	(319,458)
Proceeds from sale of property and equipment	(3)	85,676	33,436
Net movement in restricted cash		(48,818)	496,584
Net movement in short-term deposits		2,910,866	(4,495,338)
Net movement in other non-current assets		769,679	268,324
Interest income received		1,777,964	828,573
Net cash provided by/used in investing activities		13,902	(8,552,857)
Cash flows from financing activities			
Principal elements of lease payments	(8)	(3,683,923)	(3,942,129)
Interests paid		(40,000)	(59,101)
Net cash used in financing activities		(3,723,923)	(4,001,230)
Net increase in cash on hand and at banks	(7)	20,168,281	16,516,663
Bank balances and cash, beginning of the period	(7)	59,368,485	37,671,160
Bank balances and cash, end of the period	(7)	79,536,766	54,187,823

- 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 nine months ended
September 30, 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 September 30, 2023 was authorized for issue in accordance with the Board of Directors resolution on October 19, 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 nine months ended
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(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 condensed interim financial information of the Company for the nine months ended September 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 September 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)

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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 September 30, 2023, and December 31, 2022:

	Carrying Value		Market Value	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Financial Assets				
Trade and other receivables	16,668,817	16,933,887	16,668,817	16,933,887
Bank balances and cash	90,431,999	73,125,766	90,431,999	73,125,766
	107,100,816	90,059,653	107,100,816	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)	42,570,500	48,741,529	42,570,500	48,741,529
	42,570,500	48,741,529	42,570,500	48,741,529

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

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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)

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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 improvements	Decorations and leasehold improvements	Others	Work in progress*	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	4,174,570	166,370,636
Transfers from work in progress	1,855,896	-	-	226,435	13,784	77,056	249	(2,173,420)	-
Additions	1,851,192	-	-	419,150	16,080	71,530	1,237	1,779,246	4,138,435
Disposals	(525,554)	-	-	(6,988)	-	(157,468)	-	-	(690,010)
Balance as of September 30, 2023	131,444,826	2,241,082	1,662,552	17,852,283	2,974,612	9,582,421	280,889	3,780,396	169,819,061
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	7,319,847	42,020	-	857,536	106,928	234,229	27,627	-	8,588,187
Disposals	(475,373)	-	-	(6,988)	-	(155,204)	-	-	(637,565)
Balance as of September 30, 2023	87,642,403	210,101	-	16,326,478	2,676,936	8,825,126	109,538	-	115,790,582
Net book value:									
As at September 30, 2023	43,802,423	2,030,981	1,662,552	1,525,805	297,676	757,295	171,351	3,780,396	54,028,479
As at December 31, 2022*	47,465,363	2,073,001	1,662,552	1,737,756	374,740	845,202	197,492	4,174,570	58,530,676

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

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

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(All amounts expressed in US Dollar unless otherwise stated)

Notes to the unaudited condensed interim financial information

4. RIGHT OF USE ASSETS

Details:

	September 30, 2023	December 31, 2022
Balance, beginning of the period	11,134,783	6,780,655
Additions	1,974,079	8,033,301
Disposals	(64,315)	-
Depreciation of right of use assets	(3,455,617)	(3,679,173)
Balance, end of the period	9,588,930	11,134,783

5. INTANGIBLE ASSETS

Details:

	License	Software	Work in progress*	Total
Cost				
Balance as of January 1, 2023*	184,871,337	36,111,384	976,473	221,959,194
Transfers from work in progress	-	400,227	(400,227)	-
Additions	-	410,447	932,583	1,343,030
Balance as of September 30, 2023	184,871,337	36,922,058	1,508,829	223,302,224
Accumulated Amortization				
Balance as of January 1, 2023*	99,542,406	31,624,587	-	131,166,993
Amortization for the period	4,519,199	1,044,426	-	5,563,625
Balance as of September 30, 2023	104,061,605	32,669,013	-	136,730,618
Net Book Value				
As at September 30, 2023	80,809,732	4,253,045	1,508,829	86,571,606
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:

	September 30, 2023	December 31, 2022
Trade receivables	8,698,450	9,579,365
Unbilled	9,376,945	9,165,663
Others	4,949,363	5,125,148
	23,024,758	23,870,176
Provision for impairment of trade receivables	(6,355,941)	(6,936,289)
	16,668,817	16,933,887

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY (OOREDOO PALESTINE)

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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:

	September 30, 2023	December 31, 2022
Balance, beginning of the period	6,936,289	7,829,633
Currency differences	(580,348)	(893,344)
Balance, end of the period	6,355,941	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.

	September 30, 2023	September 30, 2022
Bank balances, short term deposits and cash in hand	89,923,091	64,244,187
Restricted cash	508,908	415,254
	90,431,999	64,659,441
<i>Less:</i>		
Deposits with maturity of more than three months (i)	(10,386,325)	(10,056,364)
Restricted deposits (ii)	(508,908)	(415,254)
Bank balances and cash as per statement of cash flows	79,536,766	54,187,823

(i) As of September 30, 2023, the Company had deposits amounting to USD 87,403,822 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:

	September 30, 2023	December 31, 2022
Balance, beginning of the period	10,157,830	7,745,592
Interest	434,860	602,821
Additions	1,974,079	8,033,301
Disposals	(45,796)	-
Principle elements of lease payments	(3,683,923)	(5,680,822)
Currency differences	(339,840)	(543,062)
Balance, end of the period	8,497,210	10,157,830

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8. LEASE LIABILITIES (CONTINUED)

	September 30, 2023	December 31, 2022
Non-current lease liability	4,445,548	6,245,612
Current lease liability	4,051,662	3,912,218
Balance, end of the period	8,497,210	10,157,830

9. TRADE AND OTHER PAYABLES

Details:

	September 30, 2023	December 31, 2022
Accrued expenses	23,256,323	23,417,447
Trade payables	10,830,585	11,373,025
Accrued project cost	5,092,205	5,169,160
Payroll accrued costs	2,875,389	8,293,653
Other taxes payables	1,427,172	782,241
Other payables	3,223,023	2,815,203
	46,704,697	51,850,729

10. INCOME TAX PAYABLE

Details:

The movement on the income tax provision is as follows:

	September 30, 2023	December 31, 2022
Balance, beginning of the period	3,863,202	2,015,178
Provision for the period	1,459,500	1,848,024
Income tax payments	(1,381,215)	-
Balance, end of the period	3,941,487	3,863,202

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

	September 30, 2023	September 30, 2022
Provision for the period	1,459,500	1,439,529
Deferred tax asset	(20,710)	(10,280)
Income tax expense for the period	1,438,790	1,429,249

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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:

	September 30, 2023	September 30, 2022
Telecommunication services	75,427,959	80,380,477
Others	8,373,552	6,927,479
	83,801,511	87,307,956
Over time	78,234,924	82,705,107
At a point in time	5,566,587	4,602,849
	83,801,511	87,307,956

12. NETWORK, INTERCONNECT AND OTHER OPERATING EXPENSES

Details:

	September 30, 2023	September 30, 2022
Outpayment and interconnect charges	9,340,941	11,233,280
Cost of equipment sold and other services	5,176,711	4,448,685
Network operations and maintenance	5,078,535	4,723,279
Regulatory and related fees	4,763,722	4,952,812
Rentals and utilities	3,996,579	4,708,401
Commissions of cards	3,901,646	4,221,156
Marketing cost and sponsorship	2,210,348	2,472,120
Legal and professional fees	194,050	261,323
Other expenses	3,384,399	2,296,616
	38,046,931	39,317,672

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13. FINANCE COSTS

Details:

	September 30, 2023	September 30, 2022
Loans interests	-	19,101
Other finance charges	44,998	44,521
Lease contracts interest in accordance with IFRS (16)	434,860	444,945
	479,858	508,567

14. BASIC AND DILUTED EARNINGS PER SHARE

Details:

	September 30, 2023	September 30, 2022
Profit for the period	13,986,473	12,922,427
Weighted average number of shares	293,000,000	293,000,000
Basic and diluted earnings per share for the period	0.0477	0.0441

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:

	September 30, 2023	December 31, 2022
Contracts and purchase orders	12,555,705	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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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:

	Nature of relationship	September 30, 2023	December 31, 2022
Due to related parties	Shareholders and affiliates	1,465,583	1,396,835

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

	Nature of relationship	September 30, 2023	September 30, 2022
Company's key management personnel compensation	Key management	1,182,728	1,377,797
Revenue from shareholders	Shareholders	4,902	9,120

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
September 30, 2023			
Revenues	75,427,959	8,373,552	83,801,511
Over time	75,427,959	2,806,965	78,234,924
At a point in time	-	5,566,587	5,566,587
Results of activities			
Profit for the period	10,335,776	3,650,697	13,986,473
Other information			
Depreciation and amortization	16,339,089	1,268,340	17,607,429
Capital expenditures	4,973,468	507,997	5,481,465

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17. SEGMENT REPORTING (CONTINUED)

	Telecommunication	Others	Total
September 30, 2022			
Revenues	80,380,477	6,927,479	87,307,956
Over time	80,380,477	2,324,630	82,705,107
At a point in time	-	4,602,849	4,602,849
Results of activities			
Profit for the period	10,100,552	2,821,875	12,922,427
Other information			
Depreciation and amortization	15,826,310	1,597,836	17,424,146
Capital expenditures	5,377,439	306,998	5,684,437

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

19. SUBSEQUENT EVENTS

The situation in Palestine and specifically in Gaza continues to be unstable and unpredictable. Subsequent to the interim period ended 30 September 2023, the conflict in Palestine escalated. As a result of the conflict, certain of the infrastructure of the Company has been damaged but services to customers have continued. It is not possible to determine the impact and extent of the damage, particularly as the situation is rapidly evolving. However, given the conflict escalated in the first week of October 2023, this is considered a non-adjusting post balance sheet event as the event occurred subsequent to the interim reporting period of 30 September 2023. The Company has considered the impact of the conflict on the ability for the Company to continue as a going concern and at this stage there is no reason to believe the entity is no longer a going concern.

However, the company continues to monitor the situation closely, including potential impacts on the business results, operations, and employees. Any further escalation in the conflict impacting the business in Gaza may result in a potential material impact on the company's future results and operations.