ooredoo

UPGRADE YOUR WORLD

# ANNUAL REPORT 2024

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The digital version of this report can be accessed through the company's website in the investor relations section.

ooredoo.ps

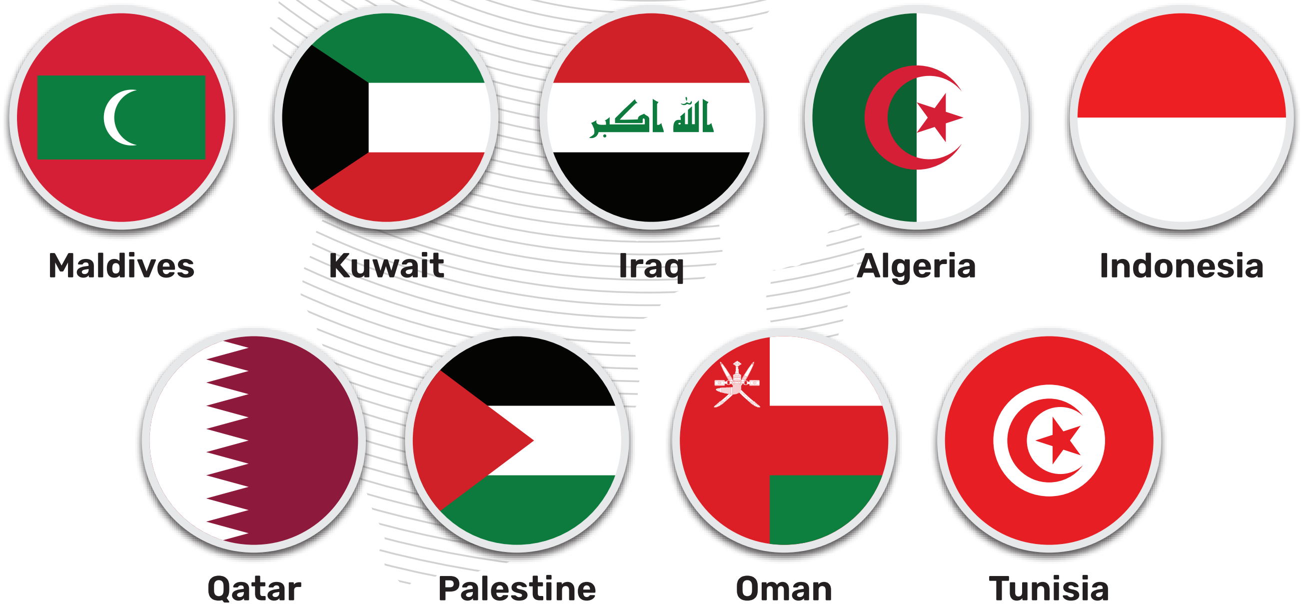
Date of the report; **February 2025**

ANNUAL REPORT 2024



# OOREDOO GLOBAL GROUP

We are a leading group of companies that provide mobile and land telecommunications services, broadband Internet, and corporate managed services, tailored to meet the optimal needs and requirements of individuals and businesses in each market, catering to their specificities. The Group has a customer base exceeding 51 million customers across the Middle East, North Africa, and Southeast Asia markets, operating in several markets including Qatar, Kuwait, Oman, Algeria, Tunisia, Iraq, Palestine, Maldives, and Indonesia.



# OUR VISION

## Enriching our customers' digital lives

We are on a mission to empower our customers to access and enjoy the best of the Internet in a way that is personal and unique to them.

We continue to invest in our networks to ensure seamless connectivity that caters to our customers' growing digital needs.

We are working as a real digital enabler across our markets, and we aspire to help people simplify their lives and enjoy exciting and rewarding digital experiences.



# OUR VALUES

**Through our various services, we aspire to meet the needs of our customers. We are keen to provide them with a unique experience.**

**This stems from our values, where the identity of Ooredoo Palestine is reflected through three basic values:**

### CARING

We care about our approach to providing services to our Palestinian customers. We aim to meet their needs in the best available ways and various means with ease and transparency.

### CONNECTING

Through the best network in Palestine, we keep people connected and provide them with creative solutions to facilitate their business and personal needs

### CHALLENGING

We dare the difficult conditions imposed on Palestine and challenge ourselves to provide the best services to our society and customers who have faith in us.

# HIGHLIGHTS OF 2024

**Revenue**

109.0
Million

**(EBITDA)**
The Earnings Before Interest, Taxes, Depreciation and Amortization

40.0
Million

**Net Profits**

11.8
Million

**Customer Base**

1.55
Million Customer

**Community Responsibility**

**We work for our community**

# OOREDOO FAMILY

## A Year of Mourning and Resilience

**This year, Ooredoo family experienced an unprecedented sense of loss. During the war on the Gaza Strip, we bid farewell to four of our cherished colleagues, valued members of our family who played a vital role in shaping the company's spirit and advancing its journey toward progress. Unlike previous years, this report will not feature the familiar image of our team as whole. Instead, this year, we will share the images of those we lost, a heartfelt tribute to their memory and a recognition of their unwavering dedication and relentless efforts.**

Despite the harsh circumstances that Gaza has endured, Ooredoo Palestine stood firm in its commitment to its people there. The company made every effort to deliver essential supplies, aiming to ease their suffering and help them persevere through these devastating times. Staying closely connected with our team was a top priority, ensuring they knew they were never alone, because the strength of our company is rooted in the strength of its people, and a family stands by its members in times of need.

With every success we achieve today, we feel the absence of our colleagues who were once among us. Their memory inspires us to stay committed to resilience and innovation, carrying their legacy forward in everything we do.

We will remain loyal to the Ooredoo family, standing united as we always have, believing that despite the pain, we will keep moving forward.

Ooredoo Palestine consists of 516 employees across the West Bank and Gaza Strip, along with 113 trainees. Ooredoo also provides hundreds of training opportunities as well as thousands of indirect job opportunities.

**Moath Asraf**

**Husam Abdrabbo**

**Jamal Abdel Aal**

**Rajab Al Naqeeb**

# STEADFAST IN CRISIS... A VISION FOR THE FUTURE

“The past year presented exceptional challenges that demanded more from us, as a pioneering national company, on humanitarian, operational, and economic levels. Yet, even in the face of adversity, Ooredoo Palestine was able to move forward with steady steps, supported by a clear strategic vision that enhances our resilience and ability to adapt to crises, turning them into opportunities for growth and development.”

**Mohammad Abu Ramadan**
**Chairman**

# CHAIRMAN'S MESSAGE

## Dear Shareholders

**In a year marked by immense challenges, Palestine faced adversity that impacted every aspect of life, our people, the economy, and the infrastructure. Yet, the Palestinian spirit is forged in determination and resilience. Guided by a deep sense of responsibility to both our community and investors, we have spared no effort to pursue progress and worked tirelessly to pave the way for a brighter future.**

### Strategic Response to Crises

In Gaza, our response was swift and well-planned, driven by proactive strategies to ensure the continuity of services and communications despite the complex circumstances. Our primary objective was to maintain the sustainability of the network, not only as a commercial service but as a vital lifeline for saving lives, connecting families, and facilitating the delivery of humanitarian aid. Our teams on the ground demonstrated remarkable flexibility and innovation, developing new mechanisms for distributing SIM cards and credit, as well as deploying mobile cellular stations as a strategic technical solution to maintain effective and continuous coverage in the most affected areas.

### Embracing Technology: A key to Sustainable Success

Our strategic vision is rooted in continuous investment in the technological advancement as a cornerstone for sustaining our services and strengthening our competitiveness. We believe that keeping pace with the fast-evolving telecommunications sector is not just an option but an urgent necessity to ensure business continuity and long-term profitability. Our commitment to adopting the latest technologies and developing innovative digital solutions reflects our determination to meet our customers' needs efficiently and effectively, enhancing their experience and deepening their loyalty. This directly contributes to building a sustainable future for the company.

### Adapting to Changing Economy

The Palestinian economy has been significantly impacted by the repercussions of the war on Gaza, creating financial and commercial pressures across multiple sectors. Nevertheless, Ooredoo Palestine managed to maintain financial stability through flexible strategies that balance risk mitigation with maximizing returns, all while preserving a high level of operational efficiency.

### Corporate Social Responsibility (CSR): Core to our Strategy

We believe that our success is closely tied to our role in serving the Palestinian community. Therefore, Ooredoo Palestine has continued to strategically invest in social responsibility projects to ensure a sustainable positive impact. Through effective partnerships with local organizations such as Sharek Youth Forum, SOS Children's Villages, and Injaz Palestine, we focused on supporting education, humanitarian relief, and sustainable development.



### Shaping the Future with Strategic Vision

No matter how challenging the current circumstances, they will not deter us from moving forward to achieve our strategic goals. We look forward to rebuilding and expanding our network in Gaza as soon as the war is over, ensuring our readiness to launch 4G and 5G services upon receiving the necessary approvals. This step represents a qualitative leap for the Palestinian telecommunications sector and opens new horizons for growth and innovation across various vital sectors in Palestine.

### A Final Word

Our success over the past year is the fruit of our commitment to our strategic vision, our flexibility in facing challenges, and the efforts of our teams and strategic partners. We remain committed, at Ooredoo Palestine, to building on what we have achieved and strengthening our role as a key contributor to the development of the telecommunications sector in Palestine, while serving our community with integrity and dedication.

In conclusion, I would like to extend my deepest gratitude to Ooredoo Group and the Palestinian Investment Fund for their unwavering support.

# EMPOWERED BY CHALLENGES, DRIVEN TO SUCCEED

"In the face of harsh reality, our teams in Gaza rose to the occasion with unmatched creativity and resolve. They developed innovative hybrid mechanisms for distributing SIM cards and credit and pioneered the deployment of mobile cell broadcast stations. These innovations ensured that our services remained uninterrupted and accessible to the widest possible number of customers. The spirit of ingenuity is more than just a reflection to their expertise; it is a testament to their unwavering commitment and relentless drive to transform challenges into successes."

S. Fares

**Dr. Samer Fares**
**CEO**

# CEO'S MESSAGE

## Dear Shareholders

**The past year has been a remarkable journey marked by both trials and triumphs. In the face of extraordinary challenges, particularly in Gaza, where the complexities of the situation touched every facet of life, including the telecommunications sector, Ooredoo Palestine stood firm. Our commitment to our employees, customers, and communities remained unshaken, as we navigated these challenging times with ingenuity and resolve. Our teams went above and beyond, developing creative and effective solutions to meet the needs of our community and strengthen our position as a leader in the telecommunications industry. Throughout the year, we invested heavily in technology and enhanced our digital platforms, delivering exceptional customer experiences while maintaining financial and commercial stability. What we have accomplished this year is a powerful reflection of our collective will and steadfast dedication to building a brighter, more sustainable future.**

### Our Commitment to Our Staff in Gaza

At Ooredoo Palestine, we believe that our employees are our greatest asset and the driving force behind our continued success. To that end, ensuring the well-being of our team in Gaza has been a top priority. We have made every effort to support our employees there, recognizing them as an integral part of Ooredoo Palestine's family. Their extraordinary dedication and courage have been inspiring, they risked their lives to maintain the continuity of our services and ensure our network remained operational for our people of Gaza. We fully understand the vital importance of communication in such challenging times, as it becomes a lifeline, a source of hope, and a means of facilitating humanitarian aid.

### Innovation in Times of Crisis

Despite the harsh circumstances, our teams in Gaza succeeded in developing hybrid mechanisms for distributing SIM cards and credit, ensuring our services reached the widest possible number of customers. This level of creativity reflects the exceptional commitment of our staff and their relentless drive to find innovative solutions to ongoing challenges.

Our teams also worked diligently to redirect network coverage to meet the needs of displaced communities. Despite the high population density in some areas, we managed to maintain network efficiency and ensure uninterrupted service.

### Mobile Cell Stations: Cell on Wheels

One of the standout innovations we take immense pride in this year is the deployment of Cell on Wheels (COWs), mobile broadcast units designed to swiftly address the communication needs of high-density displacement areas. These portable stations are distinguished by their remarkable flexibility and ease of mobility, enabling us to rapidly deploy them to areas with the greatest need. This ensured the delivery of reliable and uninterrupted telecommunications services, even under the most challenging circumstances.



### Ongoing Commitment to Our Community

Staying true to our mission of social responsibility, we've focused on making a tangible impact in our community. Through our collaboration with Sharek Youth Forum, we provided urgent humanitarian aid to our people of Gaza, and in partnership with SOS Children's Villages, we supported children relocated from Gaza to the West Bank, offering them a safe and nurturing environment.

In the West Bank, we placed education at the heart of our efforts, recognizing it as the cornerstone of a brighter future. We strengthened our partnership with Injaz Palestine to empower youth through educational programs and organized a variety of activities at the Palestinian universities to inspire new students and highlight the transformative power of education. Moreover, we sponsored the artificial intelligence camp at the Arab American University and renewed our collaboration with the Palestinian Teachers' Union in recognition of the invaluable role teachers  play in serving Palestine.

### Financial and Commercial Performance: Stability Amid Challenges

In the West Bank, we faced significant economic challenges due to the impact of the war on Gaza and its repercussions on the local economy. Nevertheless, we managed the situation efficiently, maintaining financial and commercial stability. Simultaneously, we continued striving to achieve our strategic goals, focusing on service sustainability and enhancing customer satisfaction. The company remained committed to its strategic vision and constructive operational policies, ensuring ongoing financial stability. By the end of 2024, Ooredoo Palestine reported total revenues of USD 109 million, reflecting a 1% growth when excluding the negative foreign exchange (FX) impact. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached USD 40.0 million, while net profits stood at USD 11.8 million. The trust of our customers was evident in our growing customer base, which increased by 8%, bringing the total number of customers to 1.55 million.

### Investing in Technology

At Ooredoo Palestine, we recognize the importance of investing in technology to achieve excellence and enhance the customer experience. This year, we upgraded our website and the «My Account» application, making them more efficient and user-friendly. We also launched a chatbot service on WhatsApp, providing an interactive and responsive customer service experience, streamlining communication, and saving time and effort for both our customers and employees.

### Shaping Tomorrow: Our Vision and Aspirations

As we turn the page and set our sights on the future, our deepest hope is for peace, security, and stability for our people. At Ooredoo Palestine, we stand fully committed to rebuilding our network in Gaza once the war comes to an end, dedicating our efforts to restoring and enhancing our services to the highest standards of quality and reliability.

We remain focused on fulfilling the aspirations of our shareholders and investors by providing the best telecommunications services in Palestine. We look forward to obtaining the necessary approvals to launch 4G and 5G services, enabling us to offer advanced technological solutions that meet the evolving needs of our customers.

At last, I extend my deepest gratitude to every member of Ooredoo Palestine family for their dedication and hard work, and to our partners for their continued support and trust. This year's success is the result of collective efforts and effective collaboration.

Together, we will continue building a brighter future for Ooredoo Palestine, remaining true to our vision and mission of serving the Palestinian community.

# OOREDOO PALESTINE IN A GLANCE

Ooredoo Palestine – formerly known as Wataniya Mobile Company – stands as a prominent model of leading companies in the telecommunications and information technology sectors in Palestine. The company started its journey in 2007 through a strategic partnership with Wataniya International Free Zone, a wholly owned subsidiary of the National Mobile Telecommunications Company K.S.C.P (NMTC), the majority of which is owned by Ooredoo International Group, and the Palestine Investment Fund, with an initial capital of $5 million. In 2010, the company transitioned from a private limited company to a public limited company, raising its capital to $258 million. On January 9, 2010, Ooredoo Palestine was listed on the Palestine Stock Exchange, offering 15% of the Company's shares for public subscription. In 2018, the Company again increased its capital by $35 million, maintaining its status as the largest listed company on the Palestine Exchange, with a total capital of $293 million. These strategic maneuvers have played a pivotal role in solidifying the company's position and fostering continued success in the local telecommunications market. Commencing operations in 2009, Ooredoo Palestine introduced competition to the Palestinian telecom market in the West Bank. After a decade-long of denying it the chance to launch its commercial services in the Gaza Strip, Ooredoo achieved a significant breakthrough at the end of 2017, extending its footprint to Gaza and fostering a competition in the telecom market there. This expansion brought in positive developments in the telecommunications sector, benefiting Palestinian citizens through enhanced service quality and competitive prices. Since its inception, Ooredoo has been remarkable as Palestine's foremost modern telecommunications operator. In November 2018, the Company launched its third-generation services within the West Bank, demonstrating excellence in delivering the services. Subsequently, in November of the same year, the Company achieved a significant milestone by consolidating its brand with its parent company, the global Ooredoo Group. This strategic move further solidified its position as a leader in the forefront of the Palestinian telecommunications sector, proudly standing as an integral part of the international Ooredoo Group. Ooredoo Palestine is recognized as a pioneer in the field of third-generation services in the West Bank. It provides remarkable telecommunications and internet services within the second-generation technologies in the Gaza Strip. It provides the top-tier programs, offers, and marketing campaigns tailored to enrich the experience of the Palestinian customers.



# OUR STRATEGY

## Providing the Best Customer Experience

We aim to deliver a unique customer experience in Palestine by simplifying and digitalizing communication channels, products, and procedures.

## Continuity in Growth

Ooredoo Palestine is committed to enhancing the Company's financial, commercial, technical, and administrative performance. The company's focus lies on operational efficiencies and managing capital expenditure.

## Investing in the Ooredoo Family

The Company persists in maintaining the best work environment in Palestine and fostering personal responsibility among every member of the Ooredoo family. Further, the Company employs new approaches in work methods, training, and guidance, which contributes to the better growth of the Company.



# CELL ON WHEELS

## Mobile broadcast units designed to address the communication needs in Gaza

Amid the significant challenges faced by the Gaza Strip throughout the past year, ensuring the continuity of communication services was one of Ooredoo Palestine's top priorities. This led to the standout innovation of Cell on Wheels (COWs). These mobile broadcast units, equipped with the latest cellular broadcasting technologies, were specifically designed to ensure uninterrupted service in areas severely impacted by the war on Gaza. What sets these units apart is their remarkable mobility, especially in areas with high concentrations of displaced populations.

These COWs were not just technical solutions; they were a rapid humanitarian response to the needs of the people in Gaza. They allowed residents to stay connected with their loved ones and contributed to facilitating relief efforts by providing an effective means of communication between field teams and humanitarian organizations.

The "Cell on Wheels" experience reflects Ooredoo Palestine's ability to innovate under pressure, reinforcing its ongoing commitment to delivering flexible solutions that meet the needs of the Palestinian community, regardless of the circumstances.

# DIGITALIZATION

## Key to Service Continuity and Business Growth

In a rapidly evolving world, digitalization and investment in technology have become essential elements for ensuring service continuity and delivering an exceptional experience for customers. At Ooredoo Palestine, we view technology not merely as an enabler but as a cornerstone for driving growth and elevating operational efficiency.

Through the development of our digital platforms, such as the website and the «My Account» app, we have been able to offer more flexible and efficient services to our customers. This has allowed them to complete various transactions with ease and convenience without the need to visit service centers. Furthermore, we launched the "Chatbot" service to provide instant and accurate responses to customers' needs, which has contributed to saving both time and effort for both the company and its customers.

This digital transformation is more than a reaction to challenges, but a deliberate, forward-looking strategy designed to elevate the customer experience, ensure their satisfaction, and keep pace with the latest global technological trends. Our ongoing investments in digital infrastructure represents our unwavering commitment to delivering services that not only meet future expectations but also align with the evolving demands of the digital era.


# CUSTOMER EXPERIENCE

## Our Commitment to Consistently Exceeding Expectations

Customer satisfaction is one of the most important measures of success at Ooredoo Palestine, and it is something we strive to achieve by delivering exceptional services and a seamless user experience that not only meets but exceeds our customers' expectations.

Throughout the past year, the company focused on enhancing communication tools with customers and simplifying access to services. Customers can now access a variety of services through the mobile app and the official website, providing a comprehensive digital experience.

In addition, we prioritized continuous training for our customer service teams to ensure fast and effective support. The goal was always to listen to our customers, understand their needs, and provide practical and efficient solutions in a timely manner.

Our commitment to customer satisfaction is not just a passing promise; it is part of our identity as a leading telecommunications company that aims to build a lasting relationship with each customer, based on trust, transparency, and genuine care.



# ADMINISTRATIVE AND OPERATIONAL REPORT

In accordance with the IFRS Accounting Standards, Ooredoo Palestine presents to our esteemed audience the company's activities and operations as well as the company's audited financial statements and their accompany notes for the year ending December 31, 2024. We do recommend reading this section of the annual report in conjunction with the following sections for a comprehensive understanding.

# KEY FINANCIAL AND OPERATIONAL INDICATORS FOR 2024

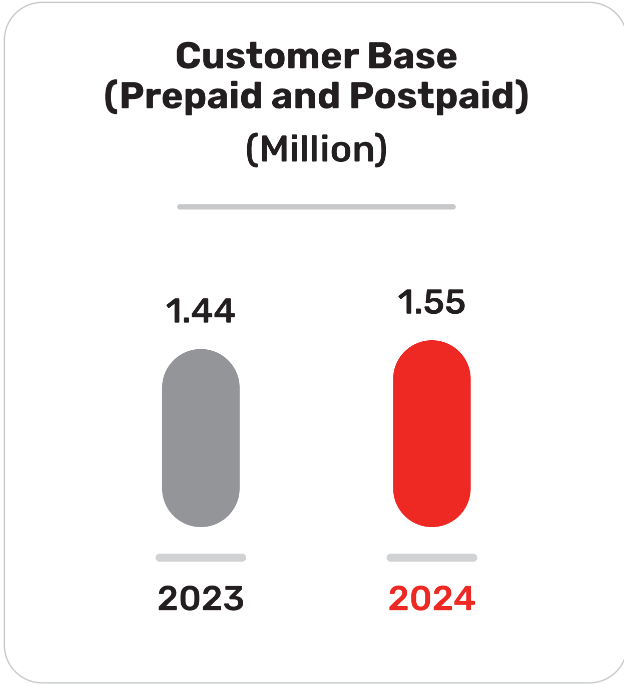
## Ooredoo Palestine's Net Profit: USD 11.8 Million

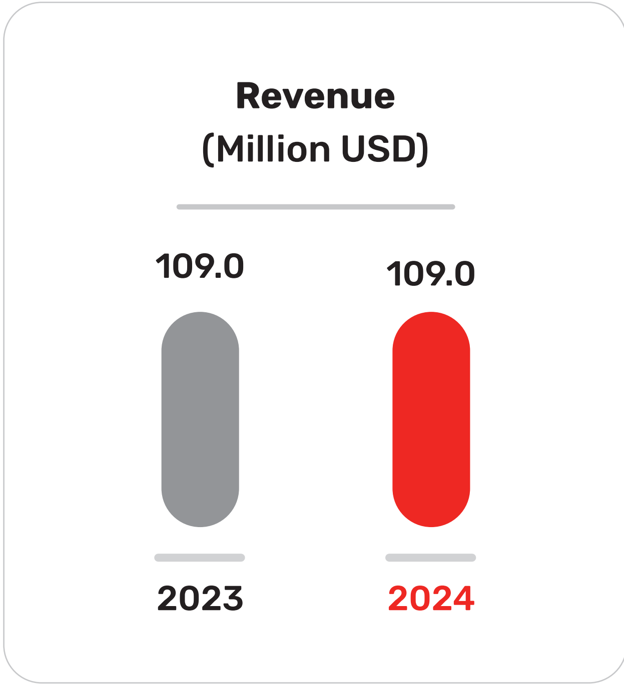
Ooredoo Palestine managed to maintain a solid financial performance throughout 2024, despite the operational and political challenges faced by the Palestinian market due to the aggression on the Gaza Strip. Thanks to the implementation of a constructive operational policy, the company was able to maintain the quality of its services and deliver outstanding offers and campaigns that contributed to achieving positive results and ensuring the sustainability of profitability, despite the difficult circumstances.

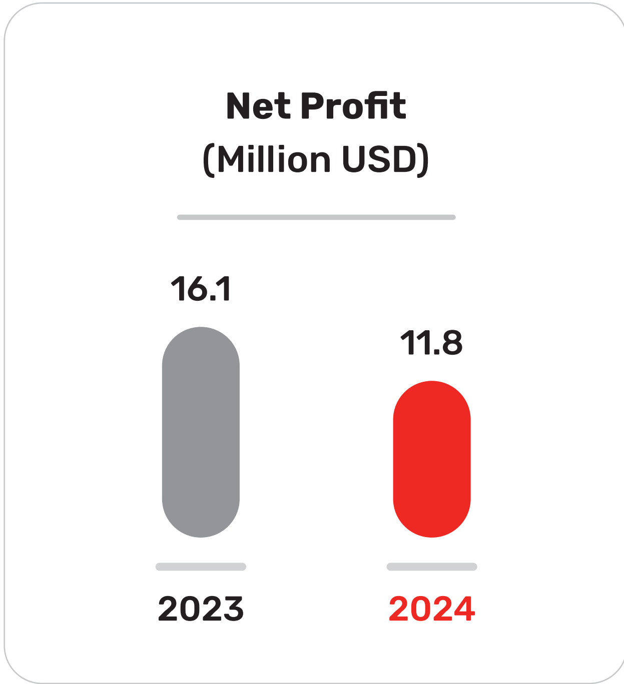
According to the financial results for the year 2024, the company's revenues reached $109 million by the end of the year, when excluding the negative foreign exchange (FX) impact, revenue would have increased by 1% over the previous year. Meanwhile, the company's earnings before interest, taxes, depreciation, and amortization (EBTIDA) stood at $40.0 million, showing a 5% decrease after excluding the currency exchange impact, compared to 2023. The company also achieved net profits of $11.8 million, reflecting a 25% decrease after excluding the currency exchange impact compared to 2023. This decline in some of the financial indicators mentioned above is attributed to the economic challenges resulting from the aggression on Gaza, as well as the impact on the company's net profits due to impairment loss of financial and non-financial assets caused by the war on Gaza.

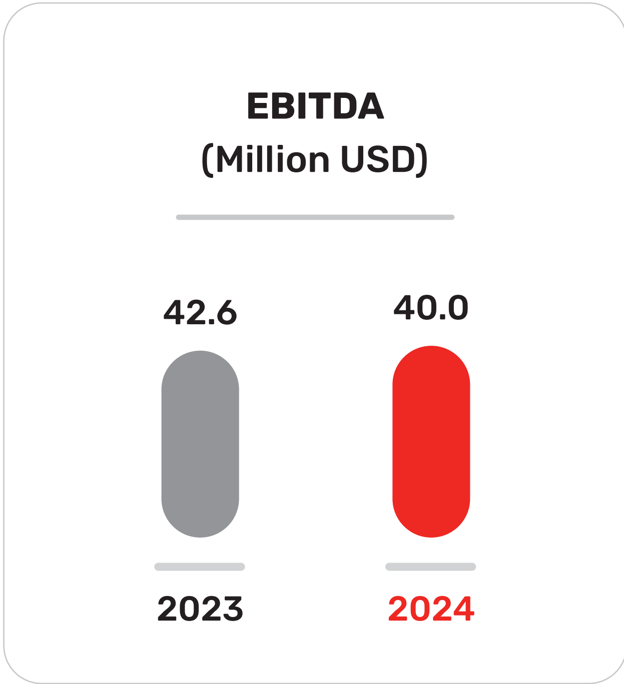


**The following charts show the company's performance for the years (2023-2024).**



# SALES CHANNELS

## Overcoming Challenges with Adaptation and Innovation

Ooredoo Palestine firmly believes that staying close to our customers is the foundation of providing exceptional services. This belief drives our commitment to maintaining a widespread presence through a robust network that spans every corner of Palestine, ensuring our services are both easily accessible and delivered with efficiency. Our dealers, stores, and distributors are strategically located across all regions, reflecting our dedication to being within reach wherever our customers are.

However, the war on Gaza posed unprecedented challenges to our sales operations, as we lost many sales points due to the extensive destruction, and several distributors were forced to cease operations because of displacement and insecurity. Despite these challenging circumstances, our efforts never ceased. Instead, we innovated alternative solutions to ensure the continuity of services. We established temporary service centers in the form of tents and kiosks within the displacement areas, enabling customers to stay connected, recharge their accounts, and replace their SIM cards easily.

Even in the most challenging circumstances, these initiatives were part of our commitment to remain close to our customers. As we continue working on rebuilding our sales network in Gaza, we reaffirm our ongoing commitment to providing the best and most flexible solutions to ensure the continuity of our services, no matter the challenges.

| Ooredoo Showrooms | Distributors | Network of Authorized Dealers | Network of Points of Sales | Network of Charging Points |
|---|---|---|---|---|
| 20 | 4 | 164 | 1920 | 5477 |

Our network of showrooms and dealers suffered damage and disruptions during the end of 2023 due to the aggression on the Gaza Strip.

As of the time of preparing this report, the extent of damage incurred by our network of dealers and distributors in the Gaza Strip due to the ongoing aggression has yet to be determined.



# SUSTAINABLE DEVELOPMENT AND SOCIAL RESPONSIBILITY

# SOCIAL RESPONSIBILITY

## With the Community no Matter the Circumstances

Ooredoo Palestine believes that social responsibility is not just an ethical obligation, but an integral part of our comprehensive strategy aimed at achieving sustainable development and creating a tangible positive impact on the Palestinian society. Given the difficult circumstances Palestine is facing, particularly the ongoing war on the Gaza Strip, our role has become even more vital and urgent.

Investing in people and building purposeful community partnerships form the foundation for a better future. Our role goes beyond providing telecommunications services, it extends to actively supporting individuals and communities in overcoming humanitarian and social challenges.



# GAZA STRIP

## A Comprehensive Humanitarian Response

Despite the harsh conditions in the Gaza Strip, Ooredoo Palestine remained committed to its humanitarian role by providing a wide range of relief contributions, including:

- Supporting displaced and affected families with essential food supplies by distributing good parcels.
- Organizing recreational activities for children during Eid Al-Fitr and Eid Al-Adha, offering moments of happiness amid hardship.
- Supporting SOS Children's Villages by contributing to the relocation of children without parental care from Gaza to the West Bank, ensuring their safety and well-being.
- Collaborating with Sharek Youth Forum by establishing educational tents to maintain children's learning and knowledge development despite the ongoing war on Gaza.

Signing an agreement with Sharek Youth Forum

Hosting activities for children at SOS Children's Villages

Distributing vegetable baskets in Rafah City

Signing a partnership agreement with SOS Children's Villages

Organizing entertainment events for children in northern Gaza


Celebrating Eid with children in Rafah City

# WEST BANK

## Investing in Education and Community Development

In the West Bank, Ooredoo Palestine continued its investment in education and sustainable development through a variety of initiatives, including:

- Strengthening the strategic partnership with Injaz Palestine by supporting programs aimed at enhancing students' skills and preparing them for the job market.
- Organizing university activities in order to encourage students to start the academic year with hope and enthusiasm.
- Sponsoring the AI summer camp at the Arab American University to promote innovation and technological skills among youth.
- Renewing the sponsorship for the Palestinian Teachers' Union to keep on supporting the educational process.
- Establishing a water pump in Wadi Al-Badhan to help deliver water to the local community.
- Sponsoring the local economy support conference in collaboration with the chambers of commerce in southern West Bank.
- Supporting the national products festival in Nablus in order to raise awareness about the importance of supporting the local economy.
- Sponsoring the national product week activities in Rawabi City to promote the Palestinian products.
- Supporting local media by several means to ensure their role in conveying social and humanitarian messages remains strong.

Ooredoo Palestine's commitment to social responsibility reflects its core values as a national company striving to be part of the solution and contribute to building a brighter and more sustainable future for the Palestinian people. We will continue to enhance our community role through effective strategies and meaningful partnerships, ensuring Ooredoo leaves a positive impact on the lives of the individuals and communities we serve.


Opening New Store in Icon Mall

Hosting an Event for Arab American University Students

Welcoming New Students at Khadoorie University, Ramallah Campus

Welcoming Al-Quds Open University Students in Hebron



Participating in the "Together to Stop Knowledge Genocide" Marathon for Gaza


Distributing Dates and Water to Fasting Individuals

Joining the Job Fair in Partnership with Sharek Youth Forum

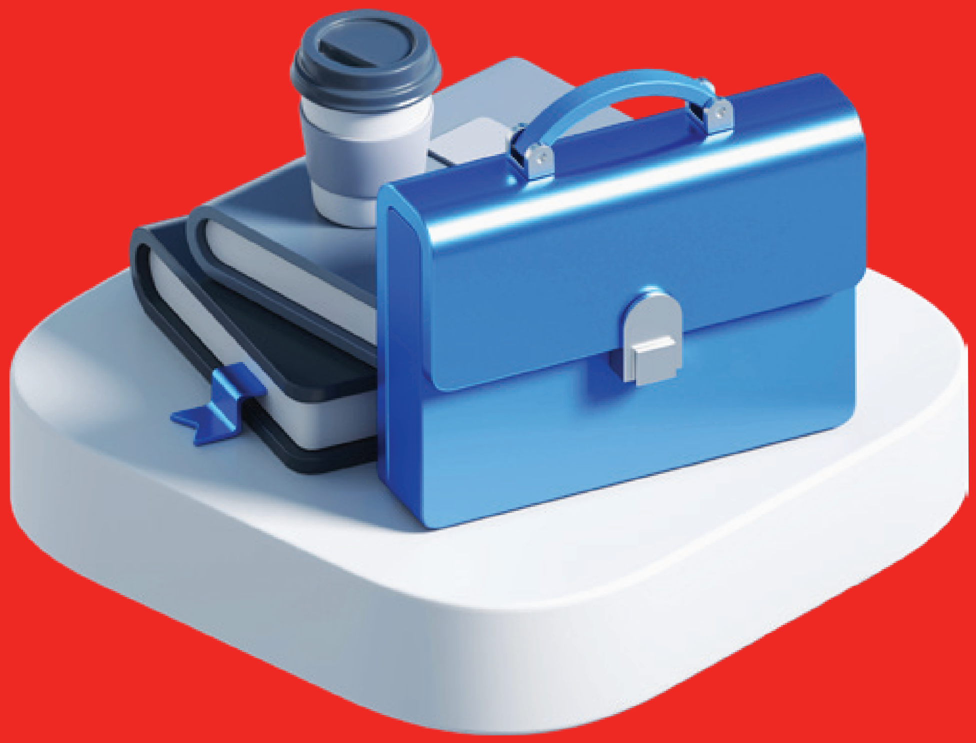
The Job Fair Activities at Bethlehem University


The Job Fair Activities at Bethlehem University

Bidding Farewell to Pilgrims


Visiting the Governor of Ramallah and Al-Bireh Governorate

Organizing an Event for Students at Nablus University



# THE COMPANY GOVERNANCE REPORT

# THE COMPANY GOVERNANCE REPORT

**Ooredoo Palestine's Board of Directors affirms the company's consistent commitment to exemplary corporate governance practices. This commitment is demonstrated through continuous review and improvement of governance practices, as well as a dedication to balancing the interest of the investors with those of all relevant stakeholders, including employees, suppliers, and the local community. One of the primary responsibilities of the Board is to enhance operational performance, profitability, and sustainable development by adhering to principles of good governance. These principles aim to steer the company strategically, establish regulations and mechanisms, monitor and regulate performance, and manage and mitigate risks to achieve desired objectives. In line with the company's adherence to required standards for publicly traded companies and corporate governance systems, Ooredoo Palestine adopted its governance guide in 2010. This guide aligns with the provisions of the corporate governance rules issued by the Palestinian Capital Market Authority.**

## Disclosure Commitment

Ooredoo takes pride in its commitment to adhering to all requirements outlines in the disclosure system in Palestine. This commitment encompasses various aspects, including the timely announcement of the annual, semi-annual, and quarterly financial results, as well as the scheduling of board meetings and significant decisions. Additionally, the company recognizes the importance of disclosing material information that could impact the share prices, whether financial, administrative, or future expectations. Such discourses are made through announcements on the authority's website, the stock exchange, and the company's website.

Ooredoo Palestine is committed to implementing the most accurate administrative procedures to ensure that disclosure processes are carried out promptly and accurately. This is evidenced by the fact that since its listing on January 09, 2011, the Palestinian Capital Market Authority has not requested the company provide any clarifications of obscure information, or disclosure of incomplete information. Furthermore, the authority has not imposed any penalties on the company for non-compliance.

## Composition of the Board of Directors

The company's board of directors consists of seven members elected by the company's general assembly, with each member serving a four-year term. The board's duties and responsibilities are governed by the corporate law and the company's by-laws. The primary role of the board is to lead the company in a pioneering manner,

involving the establishment of operational regulations, adoption of internal policies, and oversight and regulation of performance. Furthermore, the board is entrusted with managing and identifying risks to ensure the realization of the company's desired objectives.

## Board Meetings

The company's board of directors is keen to hold its meetings regularly and periodically, ensuring that there are no fewer than four meetings per fiscal year, in line with the company's bylaw and the Companies Law no. (42) of 2021. Accordingly, the board held four meetings in 2024, the dates and minutes of which were disclosed in accordance with the requirements of the applicable disclosure regulation. During these meetings, the board discussed and approved several significant matters related to the company's performance and ongoing achievements. Additionally, the board approved the annual strategic plans and addressed other matters requiring its approval.

## Ordinary General Assembly Meeting

The ordinary general assembly meeting was held on March 05, 2024. During the meeting, shareholders voted on several agenda items, included:

- Endorsing the Board of Directors report, the auditors' report and the financial statements for the fiscal year ending December 31, 2023.
- Discharging the members of the Board of Directors from liability for the fiscal year ending December 31, 2023.
- Electing the company's auditor for the fiscal year 2023. PricewaterhouseCoopers – Palestine Limited was elected to undertake the auditing of the company's accounts for the fiscal year 2024.
- Electing the company's new Board of Directors and appointing its representatives for a new four-year term.



## Board Committees

**Ooredoo's Board of Directors has established two permanent committees to support it in carrying out its duties. The following table shows the composition of the Board committees:**

### Executive Committee

| Committee members | | Committee tasks |
|---|---|---|
| Mr. Mohammed Abu Ramadan | Chairman | The Executive Committee, affiliated with Ooredoo Palestine's Board of Directors, is responsible for reviewing the executive regulations, drafting new company policies, and presenting recommendations to the Board of Directors. Additionally, the committee oversees the job evaluation process, develop the company's compensation structure, and approves the employee performance evaluation process and any amendments thereto. Moreover, the committee provides strategic guidance to the Board on the priorities and risks associated with financial and strategic investments. |
| Mr. Ahmed Al-Neama | Member | |
| Mr. Hasan ALKuwari | Member | |
| Mr. Rami Al-Barghouthi | Committee Secretary | |

### The Audit Committee

| Committee members | | Committee tasks |
|---|---|---|
| Mr. Eyas Assaf | Chairman | The Audit Committee of the board of directors plays a major role in reviewing the audited annual financial statements and interim (quarterly) financial statements. Moreover, the committee examines related reports and accounting matters, ensuring that the Executive Management carry out necessary procedures before presenting them to the Board for approval. Additionally, the committee is responsible for establishing objectives, policies and scope of internal audit activities. It also selects the company's external and internal auditors and recommends their appointment. Furthermore, the committee evaluates the performance of both internal and external audit annually, based on predetermined performance indicators. |
| Mr. Faisal Al-Shawwa | Member | |
| Ms. Maryam AL-Khal | Member | |
| Mr. Rami Al-Barghouthi | Committee Secretary | |

* Mr. Rami Al-Barghouthi was appointed as Secretary of the Audit Committee on 1/30/2025, replacing Ms. Amna Al-Majali.

# INTERNAL AUDIT

### Internal Control and Oversight Systems

**Ooredoo Palestine's executive management has adopted a comprehensive and effective internal control system to ensure the accuracy and transparency of financial disclosures while aligning with international standards and best global practices. This system plays a crucial role in realizing the company's vision and achieving its operational and strategic objectives efficiently and effectively. Key measures include:**

- A robust framework of financial policies and detailed procedures has been established and continuously developed to ensure compliance with IFRS Accounting Standards, financial disclosure standards for the financial market, and all applicable laws and regulations in Palestine.
- To maintain the accuracy of financial data and adherence to international requirements, the company has implemented a global automated financial system.
- The company's financial data, internal control systems, governance framework, risk management, and operational processes are subject to continuous review and examination by both an independent external auditor and the company's internal auditor, to whom they both report directly to an independent audit committee formed by the Board of Directors in accordance with sound governance principles. The audit committee meets regularly with the auditors and the executive management to review audit reports, ensure the accuracy of the company's annual financial statements, and monitor the implementation of any corrective measures recommended by the auditors.
- The internal audit system and the audit and risk committee are regularly updated to keep pace with global developments and best practices in auditing committees and internal audit functions.

### Internal Audit Activities and Objectives

**The Internal Audit Department at Ooredoo Palestine strives to provide independent and objective advisory services that add value and improve internal control systems. Through a structured approach, the department supports the company's goals by evaluating and enhancing the effectiveness of risk management, control, and governance processes.**

### Key Achievements of the Internal Audit Department in 2024:

- Appointing a Chief Audit Executive (CAE) to strengthen the department's role in ensuring compliance with international best practices.
- Developing a risk-based internal audit plan aligned with the company's priorities.
- Reviewing and evaluating processes, the risk management framework, and the internal control system through the execution of the internal audit plan.
- Reviewing quarter and annual enterprise risk reports to assess the effectiveness of risk mitigation plans.
- Adhering to the internal audit manual, derived from international professional standards, to provide practical guidance for managing audit activities.
- Coordinating between the external auditors and the executive management to enhance transparency and credibility.
- Submitting quarterly reports to the Audit and Risk Committee on the company's compliance with internal systems and governance requirements.
- Contributing to the improvement of the Internal Controls over Financial Reporting (ICOFR) for the year 2024.
- Providing recommendations to address weaknesses in internal control systems and ensure compliance with internal policies and regulations.
- Through these activities, the Internal Audit Department reaffirms its commitment to strengthening governance, ensuring transparency in operations, and aligning with Ooredoo Palestine's strategic objectives.

# MEMBERS OF THE BOARD OF DIRECTORS

**Mr. Muhammad Abu Ramadan**
Chairman of Board of Directors,
Representative of Palestine Investment Fund

**Mr. Ahmed Al-Neama**
Vice Chairman, Representative of the
Wataniya International Company

**Dr. Hussein Al-Araj**
Representative Member of Palestine
Investment Fund

**Ms. Maryam AL-Khal**
Representative Member of Wataniya
International Company

**Mr.  Hasan ALKuwari**
Representative Member of Wataniya
International Company

**Mr. Faisal Shawwa**
Representative Member of Palestine
Investment Fund

**Mr. Eyas Assaf**
Representative Member of Wataniya
International Company

# MEMBERS OF THE BOARD OF DIRECTORS

**Dr. Samer Fares**
CEO

**Mr. Ahmad Khalil**
Procurement and Supply Chain Director

**Mr. Osama Qawasma**
Chief Regulatory Officer

**Mr. Tareq Tamimi**
Director and Acting CHRO

**Ms. Nancy Shamieh**
Finance Director

**Mr. Naim Nazzal**
Chief Technical Officer

**Mr. Basel Amer**
Chief Audit Executive

**Mr. Rami Barghouthi**
General Counsel

**Mr. Shadi Qawasmi**
Chief Commercial Officer

# INVESTORS RELATIONS

Ooredoo Palestine is committed to enhancing communication with its shareholders.
The company strives to apply the highest standards of transparency by disclosing administrative and financial performance information. Moreover, the company ensures that shareholders are well-informed about all significant matters and developments within the company. All important information is made available for shareholders through various disclosure channels, including periodic reports, the annual report, the company's website, and the Palestine Stock Exchange website.

The Investor Relations Department actively engages with shareholders through diverse communication channels. It is committed to promptly addressing any questions and inquiries from shareholders. Communication channels include Ooredoo Palestine's website, which features a comprehensive section dedicated to investor relations. Through this section, shareholders can access financial, administrative, and operational data. Additionally, the company regularly updates this section with periodic disclosures, annual reports, information on stock movements, press releases, and frequently asked questions to ensure shareholders remain well-informed.

**To contact the Investor Relations Department**

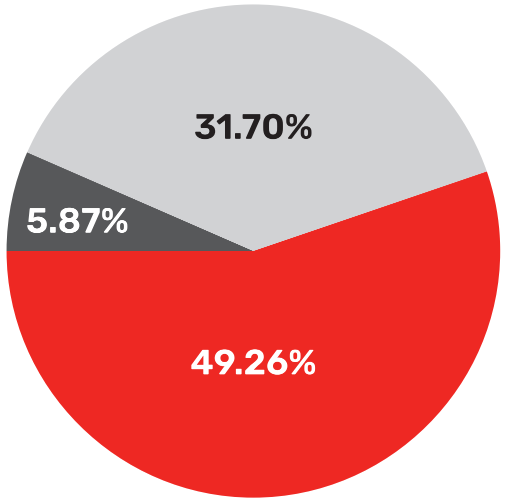
+970 (0) 56 800 3000
+970 (0) 56 800 2999
ir@ooredoo.ps
www.ooredoo.ps

# OOREDOO PALESTINE STOCK

Ooredoo Palestine's stock was listed on the Palestine Securities Exchange in 2011, with an initial capital of $258 million. In 2018, the company increased its capital to $293 million, making Ooredoo Palestine the largest company listed on the Palestine Exchange (PEX) in terms of paid-up capital. This indirectly contributed to raising the market value of PEX at the end of 2024 by approximately 5.39%. Ooredoo also contributed 75% of the total trading sessions on PEX in 2024.

## Disclosure Obligation

Total shareholders of Ooredoo Palestine reached 9,001 at the end of 2024. The following are the shareholders owning more than 5% as at 31/12/2024:




**Wataniya International FZ LLC**
144,339,191 Shares

**Palestine Investment Fund (PIF)**
92,872,124 Shares

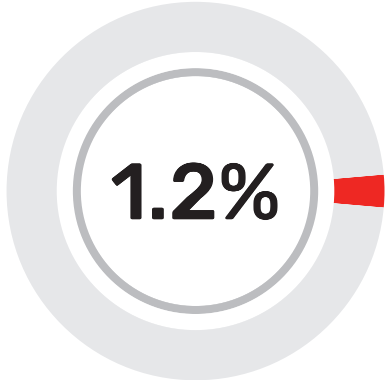
**Aswaq Investments**
17,191,088 Shares

# STOCK PERFORMANCE INDICATORS

### Ooredoo Palestine stock performance in accordance with PEX during 2024

**Number of traded shares**

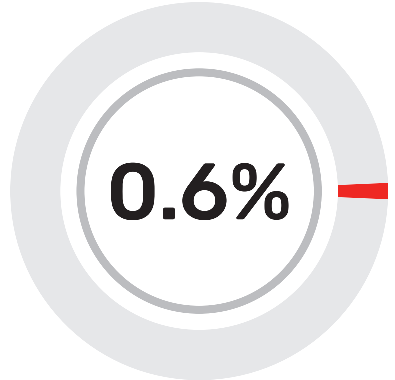
1,209,816 shares




**PEX overall**
100,406,494 shares

**Value of shares**

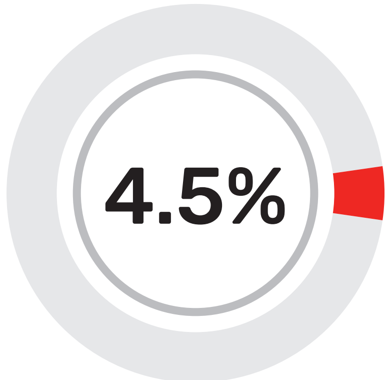
945,871 (USD)




**PEX overall**
164,186,395 (USD)

**Number deals**

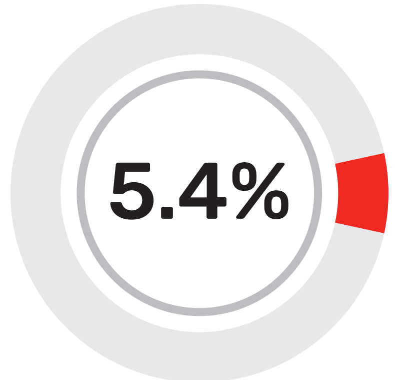
823 deals




**PEX overall**
18,248 deals

**Market value**

219,750,000 (USD)




**PEX overall**
4,080,063,637 (USD)

## SUMMARY OF OOREDOO'S SHARE

### Trading activity and ranking on PEX in 2024

**#5**
Ranking by
The market value of the company at year-end (USD)

**#12**
Ranking by
Number of traded shares

**#7**
Ranking by
Number of trading sessions in which the Company's share was traded

**#14**
Ranking by
Value of traded shares

**#7**
Ranking by
Number of executed deals

**#3**
Ranking by Number of shareholders



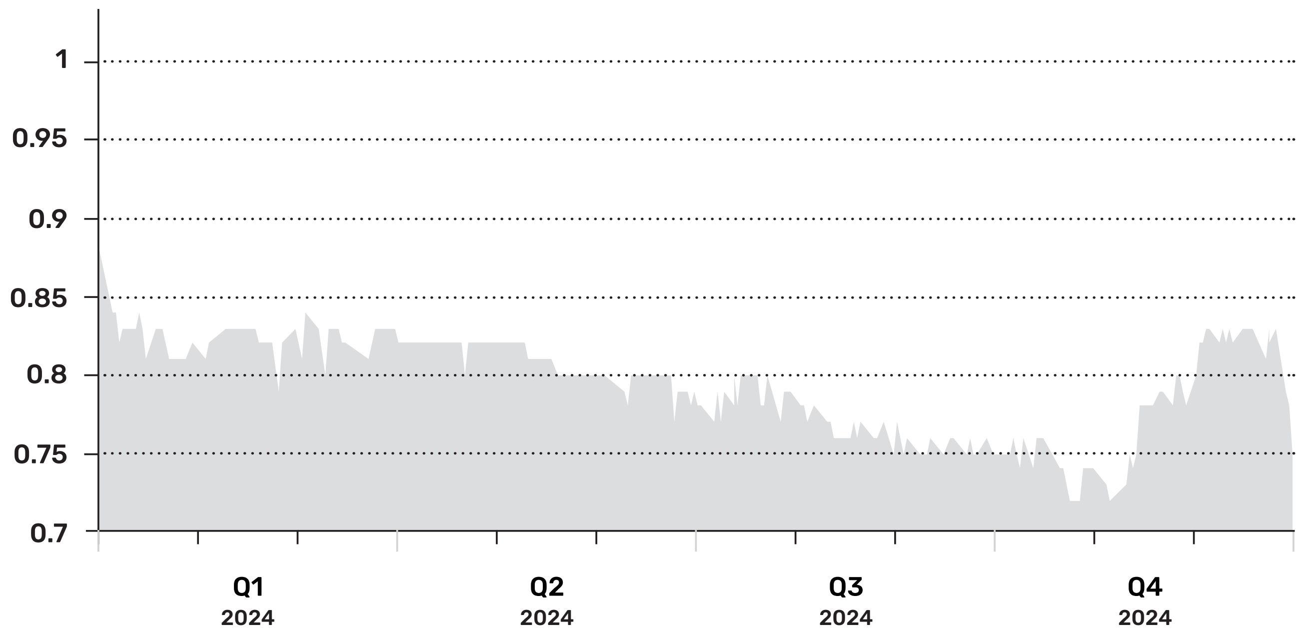
## HIGHEST AND LOWEST PRICES OF

### Ooredoo's share per quarter in 2024 and 2023

| 2024 (USD) | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| Highest price | 0.88 | 0.83 | 0.80 | 0.83 |
| Lowest price | 0.79 | 0.76 | 0.74 | 0.71 |
| Closing price | 0.83 | 0.79 | 0.76 | 0.75 |

| 2023 (USD) | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| Highest price | 0.90 | 0.87 | 0.90 | 0.92 |
| Lowest price | 0.83 | 0.82 | 0.81 | 0.76 |
| Closing price | 0.85 | 0.84 | 0.85 | 0.92 |

### The following is Ooredoo's share trading movement in 2024



# LEGAL DISCLOSURES

## Legal Proceedings and Lawsuits Brought against Ooredoo

As of the date of this report, there are no major lawsuits or legal proceedings against Ooredoo that could significantly impact the company's financial position.

## External Auditors

Price waterhouse Coopers Palestine was appointed as the company's external auditor for the year 2024. For the year 2024, the fees for audit services amounted to $52,000, while the fees for tax services totalled $30,254.

In contrast, the total fees for the company in 2023 for audit services were $52,000, and the fees for tax services were $30,421.

## External Legal Counsel

Andersen in Palestine for Legal and Investment Consulting Services in the West Bank and the Legal Advisory Office in the Gaza Strip were both appointed as the external legal counsels for the Company in 2024.

## Relations of Kinship or Affinity among Board Members and Executives

In Ooredoo, there are no relations of kinship or affinity among members of the Board of Directors and the Executive Management. In addition, none of them has any business relationship with the company.

## Major Deals with Related Parties

The major transactions conducted during the past two financial years, in which a related party has a material interest, whether directly or indirectly. Ooredoo Palestine executed a deal to purchase a land located in Al-Bireh city from Arduna Real Estate Development Company for the construction of its new headquarters.

There are no outstanding debts owed to the company, and no individual has benefited from any guarantees exceeding five thousand Jordanian Dinars or its equivalent in legally circulated currency provided by the company during the past two financial years 2023 & 2024.

## Declaration of Bankruptcy

No member of the Board of Directors or any of the Executive Management was declared bankrupt, nor were they subject to any lawsuits, convictions, or decisions prohibiting them from engaging in any managerial activities or certain operations within the past five years.

## Board Members' Remunerations

Ooredoo's Board of Directors did not receive any remunerations or fees in 2024. Ooredoo, however, covers all expenses incurred by Board members for attending Board meetings.

## Executive Management Contracts

Executive Management contracts are permanent and are no different from those of other employees in the company. They fully comply with the Palestinian Labor Law.

## Intellectual Property, Franchises and Patents

Ooredoo owns several trademarks, which are part of its intellectual property, covering the majority of its activities. It is worth noting the company's main trademark logos:

## Investment Policy and Risks

Ooredoo has not engaged in any major investments beyond the scope of its business over the past two fiscal years, and at the time of this report, it has not been exposed to any investment risks.

## Sponsorships and Donations

Ooredoo attaches great importance and care to all segments of the Palestinian society. Serving local community is an integral part of the Company's strategy of staying ahead and assuming greater social responsibilities towards the Palestinian people. The total contribution of Ooredoo to community programs, in terms of grants and sponsorships, amounted to USD 240,229 in 2024.

## Other Disclosures

**Disclosure Regulation – Article 18-2:**

Ooredoo submitted its unaudited final financial statements for 2024 to its Board of Directors for approval. There were no discrepancies between the initial financial statements and the audited final financial statements.

**Disclosure Regulation - Article 20-1-A:**

In general, there was no change in Ooredoo's business in the past two fiscal years, such as declaration of bankruptcy, merger, or disposal of any of its core assets. It is noteworthy that Ooredoo continued to offer new services throughout the year.

**Disclosure Regulation - Article 20-4:**

Most of Ooredoo's services are permanent and nonseasonal, except for some value-added services related to the provision of specific seasonal information content.

**Disclosure Regulation - Article 20-8:**

There was no interruption in Ooredoo's business during the previous period that materially affected its financial position.

**Disclosure Regulation - Article 21-3:**

Ooredoo does not invest or hold equity in any other company, inside or outside Palestine.

**Disclosure Regulation - Article 21-4:**

Ooredoo Palestine does not carry out any operational activities outside of Palestine.

**Disclosure Regulation - Article 24:**

With respect to properties, the following table shows the location, size, and characteristics of each major asset of Ooredoo:

| Property and tools | Site | Characteristics |
|---|---|---|
| **Communication Network** | Throughout the West Bank and Gaza Strip | Switches, coverage towers, messaging network, Grid electricity supply devices |
| **Network infrastructure** | Throughout the West Bank and Gaza Strip | Civil and infrastructure works for building networks, in addition to towers and fences |
| **IT systems & computers** | Ooredoo's headquarters, branches, and showrooms | Information systems and accessories |
| **Office equipment** | Ooredoo's headquarters, branches, and showrooms | Office supplies and accessories in the headquarters and showrooms |
| **Furniture and Fixtures** | Ooredoo's headquarters, branches, and showrooms | Furnishings at headquarters and showrooms |
| **Leasehold improvements** | Ooredoo's headquarters, branches, and showrooms | Civil, electrical & mechanical works in the headquarters and showrooms |
| **Others** | Ooredoo's headquarters, branches, and showrooms | Fire extinguishers and water tanks |

**Disclosure Regulation - Article 30-2:**

The Company's earnings per share were stated in Note (25) of the audited financial statements for 2024.

**Disclosure Regulation - Article 31-2:**

Financial transactions processed during 2024 in currencies other than the US dollar were converted to US dollar according to the exchange rates prevailing on the transaction date. Monetary assets and liabilities were revaluated at the end of 2024 to the US dollar according to the Israeli Shekel US dollar exchange rate of 3.65. The Bank of Palestine was the source of the exchange rates.

**Disclosure Regulation - Article 31-3-A + B:**

1. The abundance of working capital, its internal sources, and unused cash, as well as the factors that led to its increase were referred to in the cash flow statement in the audited financial statements of 2024.
2. Sources of capital were referred to in Notes (1) and (12) of the audited financial statements of 2024.

# FINANCIAL STATEMENTS

Ooredoo Palestine seeks to ensure the stability, security, and sustainability of the company by applying the highest standards of corporate governance, principles, and best practices of transparency.

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

Financial statements for the year ended
31 December 2024

and independent auditor's report
(Translated from the original Arabic version)



| CONTENTS | PAGE |
|---|---|

# Independent auditor's report to the shareholders of Wataniya Palestine Mobile Telecommunication - Public Shareholding Company (Ooredoo Palestine)

## Report on the audit of the financial statements

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wataniya Palestine Mobile Telecommunication - Public Shareholding Company (Ooredoo Palestine) (hereinafter the "Company") as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

**What we have audited**

The Company's financial statements comprise:

- The statement of financial position as at 31 December 2024;
- The statement of profit or loss for the year then ended;
- The statement of comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended; and
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Our audit approach

**Overview**

| | |
|---|---|
| Key audit matters | • Impairment of property and equipment<br>• Revenue recognition and related complex IT systems |

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

PricewaterhouseCoopers Palestine Ltd Co., Amaar Tower, Level 7, Al-Irsal, Al-Bireh, Palestine
T: +970 (02) 242 0230, F: +970 (02) 242 0231, P.O Box 1317 (Ramallah), www.pwc.com/middle-east





### Our audit approach (Continued)

**Overview (continued)**

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

**Key audit matters**

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Impairment of property and equipment:<br><br>As disclosed in note (23) to the accompanying financial statements, The Company has assessed the damages to the Network and infrastructure of the Company included in property and equipment as a result of the ongoing conflict in Gaza. The Company has performed an assessment of the impairment in Network and infrastructure and recorded an impairment loss of USD 2,900,877.<br><br>We considered the Company's impairment assessment of Network and infrastructure to be a matter of most significance to the current year audit due to the significant judgements and assumptions made by management in performing the impairment assessments and determining the impairment loss in light of available data.<br><br>Refer to the following notes to the financial statements for details:<br><br>Note (2.3) Significant accounting judgements and estimates.<br><br>Note (3) Property and equipment.<br><br>Note (3.1) Impairment of property and equipment.<br><br>Note (23) Impairment loss. | We performed audit procedures over this significant risk area, which included a combination of tests of controls and substantive procedures as described below:<br><br>• We understood and evaluated the business process for the impairment assessment, and identified and tested the relevant internal controls;<br>• We obtained and considered the traffic reports to assess the overall reduction in traffic and to develop expectation as to the level of damage;<br>• We obtained and inspected the site visit reports provided by the management;<br>• We reviewed the reasonableness of the methodology and tested the arithmetical accuracy of the model used by management to estimate the impairment loss at the individual assets level or at the cash generating unit (CGU) level;<br>• We developed an expectation of the impairment loss at individual assets level and compared it to the impairment recorded by the management;<br>• We utilized internal valuation specialist to support us in assessing the assumptions and methodology used by management in developing the impairment loss at the cash generating unit (CGU) level; and<br>• We also assessed the adequacy of the related disclosures provided in the financial statements. |

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# Independent auditor's report to the shareholders of Wataniya Palestine Mobile Telecommunication - Public Shareholding Company (Ooredoo Palestine) (Continued)

## Our audit approach (Continued)

### Key audit matters (Continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <u>Revenue recognition and related complex IT systems:</u><br><br>As disclosed in note (18) to the accompanying financial statements, the Company's total revenue for the year ended 31 December 2024 amounted to USD 108,950,237.<br><br>Telecommunication services are the largest contributor to this amount with revenue of USD 102,287,389.<br><br>We considered this area to be a matter of most significance, as there is an inherent risk around the recognition of revenue in telecommunication services given that revenue is processed by complex IT systems involving large volumes of data with a combination of different products, services, and related prices. This resulted in a significant portion of our audit effort directed towards revenue and related IT systems.<br><br>Refer to the following notes to the financial statements for details:<br><br>Note (2.3) Significant accounting judgements and estimates.<br><br>Notes (2.4) Revenue recognition.<br><br>Note (18) Revenue.<br><br>Note (31) Segment Reporting. | We audited the telecommunications services revenues significant risk area through a combination of controls testing, risk analytics and other substantive audit procedures, as stated below:<br><br>• We understood and evaluated the significant revenue processes and identified the relevant controls (including IT systems, interconnection, and reporting systems);<br>• We tested IT general controls, which address pervasive IT risks around access security, change management, data center, network operations and price changing authorities and inputs on relevant billing and supporting systems;<br>• We involved our internal Information Technology specialists to assist us with testing the IT general controls and application controls of IT systems connected with the processing of transactions associated with significant revenue;<br>• We performed automated and manual controls testing and substantive procedures, to verify accuracy and occurrence of revenue. This included testing the end-to-end reconciliations from data records extracted from source systems to the billing systems and to the general ledger;<br>• We tested calls using various parameters to ascertain the instances will accurately be processed through the network elements and until recognition;<br>• We performed risk analytics and analytical review of significant revenue sources after developing an expectation of revenues based upon non-financial data principally derived from subscriber numbers, which are the main driver of these revenues;<br>• We examined the reconciliations of revenue prepared by management between the billing systems and the accounting system; and<br>• We also assessed the adequacy and presentation of disclosures relating to IFRS (15) in the accompanying financial statements. |



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# Independent auditor's report to the shareholders of Wataniya Palestine Mobile Telecommunication - Public Shareholding Company (Ooredoo Palestine) (Continued)

## Other information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report of the Company for 2024 (but does not include the financial statements and our independent auditor's report thereon).

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

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

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

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and the applicable laws and regulations of Palestine, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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## Independent auditor's report to the shareholders of Wataniya Palestine Mobile Telecommunication - Public Shareholding Company (Ooredoo Palestine) (Continued)

### Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

For and on behalf of PricewaterhouseCoopers Palestine Ltd Co.
License number 207/2012

Yacoub Alloun
License number 106/2012

10 February 2025
Place: Ramallah, Palestine





## STATEMENT OF FINANCIAL POSITION

**As at 31 December**

| | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | (3) | **43,254,544** | 48,824,404 |
| Right-of-use assets | (4) | **9,111,855** | 8,880,802 |
| Intangible assets | (5) | **35,425,296** | 40,337,066 |
| Other non-current assets | (6) | **345,715** | 342,833 |
| Deferred tax asset | (7) | **955,515** | 840,300 |
| **Total non-current assets** | | **89,092,925** | 99,225,405 |
| **Current assets** | | | |
| Inventories | (8) | **1,097,480** | 827,796 |
| Other current assets | (9) | **2,586,073** | 2,714,737 |
| Trade and other receivables | (10) | **19,175,763** | 22,486,011 |
| Other bank balances | (11) | **44,967,960** | 33,238,098 |
| Cash and cash equivalents | (11) | **81,801,712** | 61,717,269 |
| **Total current assets** | | **149,628,988** | 120,983,911 |
| **Total assets** | | **238,721,913** | 220,209,316 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | (1, 12) | **293,000,000** | 293,000,000 |
| Share premium | (1) | **11,610,000** | 11,610,000 |
| Accumulated losses | | **(143,060,707)** | (154,825,754) |
| **Total equity** | | **161,549,293** | 149,784,246 |
| **LIABILITIES** | | | |
| **Non-Current liabilities** | | | |
| Lease liabilities | (13) | **5,302,297** | 3,643,132 |
| Employees' benefits | (14) | **9,555,149** | 8,403,003 |
| **Total non-current liabilities** | | **14,857,446** | 12,046,135 |
| **Current liabilities** | | | |
| Trade and other payables | (15) | **55,023,460** | 48,714,496 |
| Deferred income | (16) | **3,791,605** | 3,695,485 |
| Income tax payable | (17) | **168,004** | 1,751,401 |
| Lease liabilities | (13) | **3,332,105** | 4,217,553 |
| **Total current liabilities** | | **62,315,174** | 58,378,935 |
| **Total liabilities** | | **77,172,620** | 70,425,070 |
| **Total equity and liabilities** | | **238,721,913** | 220,209,316 |

- The accompanying notes from page 11 to 46 form an integral part of these financial statements.

## Statement of Profit or Loss

**For the years ended 31 December**

| | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | (18) | **108,950,237** | 109,001,985 |
| Network, interconnect, and other operating expenses | (19) | **(51,145,662)** | (46,739,194) |
| Employees' salaries and associated costs | (20) | **(19,564,696)** | (18,012,689) |
| Depreciation and amortization | (3,4,5) | **(23,806,713)** | (23,266,659) |
| Finance cost | (21) | **(481,812)** | (616,762) |
| Finance income | (22) | **3,787,137** | 2,574,921 |
| Impairment of trade and other receivables | (10,23) | **(1,546,272)** | (375,160) |
| Impairment loss | (23) | **(3,256,429)** | (4,987,801) |
| Other gains - net | (24) | **226,843** | 237,209 |
| **Profit before income tax** | | **13,162,633** | 17,815,850 |
| Income tax expense | (17) | **(1,397,586)** | (1,676,823) |
| **Profit for the year** | | **11,765,047** | 16,139,027 |
| **Basic and diluted earnings per share** | (25) | **0.0402** | 0.0551 |

- The accompanying notes from page 11 to 46 form an integral part of these financial statements.



**Wataniya Palestine Mobile Telecommunication - Public Shareholding Company *(Ooredoo Palestine)***
Financial statements for the year ended 31 December 2024
*(All amounts are expressed in US Dollar unless otherwise stated)*

## Statement of Comprehensive Income

**For the years ended 31 December**

| | 2024 | 2023 |
|---|---|---|
| **Profit for the year** | **11,765,047** | 16,139,027 |
| Other comprehensive income items | **-** | - |
| **Total comprehensive income for the year** | **11,765,047** | 16,139,027 |

- The accompanying notes from page 11 to 46 form an integral part of these financial statements.

**Wataniya Palestine Mobile Telecommunication - Public Shareholding Company *(Ooredoo Palestine)***
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## STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Accumulated losses | Total equity |
|---|---|---|---|---|
| **Balance as at 1 January 2024** | **293,000,000** | **11,610,000** | **(154,825,754)** | **149,784,246** |
| **Profit for the year** | **-** | **-** | **11,765,047** | **11,765,047** |
| **Balance as at 31 December 2024** | **293,000,000** | **11,610,000** | **(143,060,707)** | **161,549,293** |
| Balance as at 1 January 2023 | 293,000,000 | 11,610,000 | (170,964,781) | 133,645,219 |
| Profit for the year | - | - | 16,139,027 | 16,139,027 |
| Balance as at 31 December 2023 | 293,000,000 | 11,610,000 | (154,825,754) | 149,784,246 |

- The accompanying notes from page 11 to 46 form an integral part of these financial statements.



**Wataniya Palestine Mobile Telecommunication - Public Shareholding Company *(Ooredoo Palestine)***
Financial statements for the year ended 31 December 2024
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## STATEMENT OF CASH FLOWS

**For the years ended 31 December**

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before income tax | | **13,162,633** | 17,815,850 |
| **Adjustments for:** | | | |
| Depreciation of property and equipment | (3) | **10,194,603** | 11,216,220 |
| Depreciation of right of use assets | (4) | **5,507,848** | 4,612,475 |
| Amortizations | (5) | **8,104,262** | 7,437,964 |
| Impairment of trade and other receivables | (10) | **1,546,272** | 375,160 |
| Impairment loss | (23) | **3,256,429** | 4,987,801 |
| Provision for employees' benefits | (14) | **1,604,361** | 1,436,466 |
| Interest on lease liability | (21) | **446,812** | 556,762 |
| Finance income | (22) | **(3,787,137)** | (2,574,921) |
| Currency variance on cash and cash equivalents | | **(155,696)** | 317,014 |
| Loss from termination of lease contracts | (4,13) | **-** | 18,518 |
| (Gain) of assets classified as held for disposal | (3) | **-** | (98,957) |
| Loss / (Gain) on disposal of property and equipment | (24) | **5,248** | (256,977) |
| | | **39,885,635** | 45,843,375 |
| **Change in working capital:** | | | |
| Inventories | (8) | **(483,331)** | 783,284 |
| Other current assets | (9) | **128,664** | (407,369) |
| Trade and other receivables | | **2,082,086** | (2,092,021) |
| Trade and other payables | | **6,945,968** | (7,252,718) |
| Deferred income | (16) | **96,120** | (689,198) |
| **Net cash inflow from operating activities before payments of employees' benefits and income tax payments** | | **48,655,142** | 36,185,353 |
| Payments of employees' benefits | (14) | **(452,215)** | (989,696) |
| Income tax payment, net of currency difference | (17) | **(3,096,198)** | (3,833,301) |
| **Net cash from operating activities** | | **45,106,729** | 31,362,356 |
| **Cash flow from investing activities** | | | |
| Payments for property and equipment | | **(9,294,982)** | (5,028,261) |
| Payments for intangible assets | | **(2,210,169)** | (1,784,126) |
| Proceeds from sale of property and equipment | (3) | **-** | 408,381 |
| Cash (used in) deposits with maturity of more than three months | (11) | **(5,920,368)** | (19,358,216) |
| Cash (used in) restricted cash | (11) | **(5,809,494)** | (122,601) |
| Finance income received | | **3,469,027** | 2,419,184 |
| **Net cash (used in) investing activities** | | **(19,765,986)** | (23,465,639) |
| **Cash flows from financing activities** | | | |
| Principal elements of lease payments, net of currency difference | | **(5,117,019)** | (4,674,157) |
| Payments of interest on lease liability | | **(294,977)** | (556,762) |
| **Net cash (used in) financing activities** | | **(5,411,996)** | (5,230,919) |
| **Net increase in cash and cash equivalents** | | **19,928,747** | 2,665,798 |
| Currency variance on cash and cash equivalents | | **155,696** | (317,014) |
| Cash and cash equivalents, beginning of the year | (11) | **61,717,269** | 59,368,485 |
| **Cash and cash equivalents, end of the year** | (11) | **81,801,712** | 61,717,269 |

- The accompanying notes from page 11 to 46 form an integral part of these financial statements.

## 1. General

Wataniya Palestine Mobile Telecommunication Public Shareholding Company (Ooredoo Palestine) (hereinafter "the Company"), located in Ramallah, was registered, and incorporated in Palestine on 27 January 2007 as a Private Limited Shareholding Company under registration No. 562499541. On 25 October 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 25 October 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 7 November 2010 to 2 December 2010. On 23 January 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 14 March 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 6 August 2008. On 16 December 2009, the MTIT approved the Company's request to determine 10 September 2009 as the effective date, instead of 6 August 2008, since it represents the date on which only 2G frequencies were allocated. On 16 March 2015 the MTIT approved to extend the terms of the license useful life for an additional five years.

The Company started its operations on 1 November 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 27 November 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 financial statements of the Company as of 31 December 2024 were authorized for issuance in accordance with the Board of Directors resolution on 5 February 2025.

## 2. Summary of Material Accounting Policies

The principal accounting policies applied by the Company in the preparation of these financial statements are set below.

### 2.1 Basis of preparation

#### Compliance with IFRS Accounting Standards

The financial statements for the year then ended 31 December 2024 have been prepared in accordance with the IFRS Accounting Standards and interpretations issued by the IFRS Accounting Standards Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).





## 2. Summary of Material Accounting Policies (continued)

### 2.1 Basis of preparation (continued)

#### Basis of measurement

The financial statements have been prepared under the historical cost basis.

#### Functional and presentation currency

The financial statements are presented in US Dollar, that represents the functional currency of the Company.

### 2.2 Changes in accounting policies

The accounting policies used in the preparation of the financial statements of the Company are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2023 except for the adoption of new standards and amendments to existing standards as mentioned below:

#### *New and amended standards and interpretations adopted by the Company*

The management has implemented the following standards, amendments, and interpretations for the first time for the year ending 31 December 2024:

| Title | Key requirements | Effective date |
|---|---|---|
| Lease Liability in a Sale and Leaseback – Amendments to IFRS 16. | In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 - Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.<br><br>The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. | 1 January 2024 |

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

## 2. Summary of Material Accounting Policies (continued)

### 2.2 Changes in accounting policies (continued)

***New and amended standards and interpretations adopted by the Company (continued)***

| Title | Key requirements | Effective date |
|---|---|---|
| Supplier finance arrangements – Amendments to IAS 7 and IFRS 7. | On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.<br><br>The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:<br><br>1. The terms and conditions of SFAs.<br><br>2. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.<br><br>3. The carrying amount of the financial liabilities in (2) for which suppliers have already received payment from the finance providers.<br><br>4. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.<br><br>5. Non-cash changes in the carrying amounts of financial liabilities in (2).<br><br>6. Access to SFA facilities and concentration of liquidity risk with finance providers.<br><br>Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.<br><br>The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months. | 1 January 2024 |





## 2. Summary of Material Accounting Policies (continued)

### 2.2 Changes in accounting policies (continued)

***New and amended standards and interpretations adopted by the Company (continued)***

| Title | Key requirements | Effective date |
|---|---|---|
| Non-current liabilities with covenants - Amendments to IAS 1 | Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).<br><br>Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.<br><br>The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:<br><br>● The carrying amount of the liability.<br>● Information about the covenants, and<br>● Facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.<br><br>The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current. | 1 January 2024 |

The above standards, amendments, and interpretation to accounting standards did not have any material impact on the Company's financial statement and did not require retrospective adjustments and there are no other standards, amendments or interpretations that became effective for the first time for the annual reporting period commencing 1 January 2024 and have a material impact on the Company.

***IFRS accounting standards interpretations committee agenda decisions issued in the last 12 months***

The following agenda decisions were issued that may be relevant for the preparation of annual reports in 2024. The date issued refers to the date of approval by the IASB.

| Date issued | Topic |
|---|---|
| October 2023 | Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9). |
| October 2023 | Homes and Home Loans Provided to Employees. |
| October 2023 | Guarantee over a Derivative Contract (IFRS 9). |
| January 2024 | Merger between Parent and Its Subsidiary in Separate Financial Statements (IAS 27). |
| April 2024 | Payments Contingent on Continued Employment during Handover Periods (IFRS 3). |
| April 2024 | Climate-related Commitments (IAS 37). |

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

## 2. Summary of Material Accounting Policies (continued)

### 2.2 Changes in accounting policies (continued)

***Impact of new standards issued but not yet effective***

As at 30 June 2024, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024.

| Title | Key requirements | Effective date |
|---|---|---|
| Amendments to IAS 21 - Lack of Exchangeability | In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.<br><br>These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process). | 1 January 2025 (early adoption is available) |
| Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 | On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:<br><br>(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;<br><br>(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;<br><br>(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and<br><br>(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).<br><br>The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. | 1 January 2026 (early application permitted subject to any endorsement process) |
| IFRS 18, 'Presentation and Disclosure in Financial Statements' | This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.<br><br>The key new concepts introduced in IFRS 18 relate to:<br><br>• the structure of the statement of profit or loss with defined subtotals;<br><br>• requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;<br><br>• required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and<br><br>• enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. | 1 January 2027 (early adoption is permitted) |





## 2. Summary of Material Accounting Policies (continued)

### 2.2 Changes in accounting policies (continued)

***Impact of new standards issued but not yet effective (continued)***

| Title | Key requirements | Effective date |
|---|---|---|
| IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' | This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.<br><br>A subsidiary is eligible if:<br><br>• it does not have public accountability; and<br><br>• it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. | 1 January 2027 |

These changes and amendments are not expected to have a material impact on the Company.

### 2.3 Significant accounting judgments and estimates

The preparation of the financial statements in compliance with IFRS accounting standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

**Going concern**

The Company has considered the impact of the conflict in Gaza on the ability for the Company to continue as a going concern. The Company still runs the majority of its operations in the West Bank and accordingly derives the vast majority of the revenue, profit and cash flows from the West Bank. Also, as outlined in the liquidity risk disclosures (note 29.4), the Company's unleveraged position means that management expects to be able to overcome any downturn in revenues and fund the rebuilding of assets when circumstances permit. Even if the conflict in Gaza persists into the future, the Company expects to be able to generate positive cash flows from its operations in the West Bank alone. Furthermore, the Company has an insurance policy that includes coverage against damage to assets caused by war and expects to be able to make a claim under this policy to aid in funding reconstruction in the future. The Company continues to monitor the situation closely, including potential impacts on its operations. Any further escalation in the conflict impacting the business in Gaza may result in additional material impacts on the Company's future results and operations, but management does not expect that the conflict in Gaza will significantly endanger the Company's ability to continue as a going concern.

## 2. Summary of Material Accounting Policies (continued)

### 2.3 Significant accounting judgments and estimates (continued)

**Impairment**

In light of the situation in Gaza, the Company had a number of its cell phone towers destroyed in the course of the conflict. The Company has taken the view that any towers substantively destroyed in their entirety can be assessed for impairment at the asset level and have no recoverable amount. For the purpose of the impairment assessment the Company assumed that any cell phone tower that does not send or receive traffic (inactive), and since management is unable to reach these towers and inspect the extent of the damage or assess the decline in their value, management assumed that these towers are completely destroyed and were fully impaired.

Other towers that have been damaged but not destroyed still form part of the single overall Cash Generating Unit (CGU) and cannot be tested separately. It would not be appropriate to make a provision for the future repair costs of fixed assets, so these damaged towers were tested for impairment as part of the single CGU. This impairment test included budgeted cash outflows for reconstruction.

The Company believes that there is only a single CGU because in normal times subscribers can move between Gaza and the West Bank and therefore the towers in Gaza do not generate cash inflows that are separate from towers in the West Bank. The results of the impairment test performed at the CGU level are set out in note 3.1.

**Revenue recognition**

Revenue recognition under IFRS 15 necessitates the collation and processing of very large amounts of data, use of management judgements and estimates to produce financial information. The most significant accounting judgements and source of estimation uncertainty are disclosed below.

**Judgments in determining the timing of satisfaction of performance obligations**

Per note 18, the Company generally recognizes revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receive and consume the benefits provided by these services and the control transfer takes place over time, revenue is also recognized based on the extent of service transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these performance obligations, we have considered the nature of these services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Company considers the general requirements of control (i.e., direct the use of asset or assets and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment;
- Customer has legal title;
- Entity has transferred legal possession;
- Customer has significant risk and rewards; and
- Customer has accepted the asset.

In making their judgment, management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Company had transferred control of the goods to the customer. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, management are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs. However, the determination of obligations is, for the primary goods and services sold by the Company, not considered to be a critical accounting judgment.



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Financial statements for the year ended 31 December 2024

*Notes to the financial statements*
*(All amounts are expressed in US Dollar unless otherwise stated)*

## 2. Summary of Material Accounting Policies (continued)

### 2.3 Significant accounting judgments and estimates (continued)

**Principal versus agent**

Significant judgments are made by management when concluding whether the Company is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Company. The assessment requires an analysis of key indicators, specifically whether the Company:

- Carries any inventory risk;
- Has the primary responsibility for providing the goods or services to the customer;
- Has the latitude to establish pricing; and
- Bears the customer's credit risk.

Whether the Company is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Company and its business partners. Scenarios requiring judgment to determine whether the Company is a principal, or an agent include, for example, those where the Company delivers third-party branded services (such as value-added services) to customers.

**Determining the lease term**

Extension and termination options are included in a number of asset leases across the Company. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

For leases of the assets, the following factors are normally the most relevant

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).

Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

**Estimates**

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Impairment of non-financial assets**

In addition to the judgment disclosed above in respect of the application of IAS 36 "Impairment of assets" to damaged and destroyed cell phone towers in Gaza, significant estimates were also made in determining the numerical amounts of the impairment loss recorded. Full details of these estimates are disclosed in note 3.1.

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

### 2.3 Significant accounting judgments and estimates (continued)

**Useful lives of property and equipment**

The Company's management determines the estimated useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. but it is not considered to be a significant risk of material adjustment to the carrying values of property and equipment in the year up to 31 December 2024, if these estimates were revised.

**Intangible assets (license)**

As set out in notes (5 and 26), the Company's telecommunications license was agreed for a fixed sum of USD 140,000,000 plus additional contingent payments of USD 214,000,000 based on growth in subscribers' number. Certain other capping mechanisms were also included within the contract.

However, the Company is of the opinion that the Ministry of Telecommunications and Information Technology (MTIT) did not comply with the license terms and as such the Company cannot be required to pay the full license fee of USD 354,000,000. In light of the fact that MTIT did not provide the relevant 2G and 3G frequencies on a timely basis and was not able to secure import permits for the necessary equipment, the Company does not believe that it is bound by the original contractual payment terms.

The Company is in negotiations with MTIT in respect of the license and in light of the circumstances believes that this arrangement represents a potential liability of uncertain timing or amount within the scope of IAS 37. Furthermore, the Company is of the opinion that the significant underperformance on the part of MTIT, taken together with other capping mechanisms in the original contract, means that no additional amounts will be paid in respect of this license above and beyond the original USD 140,000,000 payment.

**Calculation of loss allowance**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 29.3 "credit risk". The forward-looking estimates are oil prices, unemployment rate, and inflation.

**Functional currency determination**

The Company is based and has its operations in Palestine. Palestine does not have any domestic currency. The majority of the Company's sales are denominated in Israeli Shekels while cost is denominated in US Dollars. Thereby there are mixed primary indicators. However, the Company obtains funding for its operations in US Dollars and also retains the earnings largely in US Dollars. Therefore, the Company has concluded the US Dollar to be the functional currency of the Company.

### 2.4 Revenue recognition

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Company recognizes revenue when it transfers control over goods or services to its customers.

Revenue from telecommunication services mainly consists of access charges, airtime usage, messaging, interconnect fees, data and connectivity services, connection fees and other related services. Services are offered separately or as bundled packages along with other services and/ or devices.





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

### 2.4 Revenue recognition (continued)

For bundle packages, the Company accounts for individual products and services separately if they are distinct. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "PO") in a bundle based on their stand-alone selling prices.

The standalone selling prices are determined based on the observable price at which the Company sells the products and services on a standalone basis.

**Mobile services**

Mobile service contracts typically consist of specific allowances for airtime usage, messaging and data, and connection fees. In this type of arrangement, the customer simultaneously receives and consumes the benefits as the Company performs the service. Thus, the revenue is recognized over the period as and when these services are provided.

**Sale of unlocked devices**

Devices such as smart phones, are sold separately and are not bundled with mobile service contracts have standalone value to the customer and are unlocked devices. The revenue from sale of unlocked devices is recognized upon transfer of control to the customer.

**Interconnection and Roaming service**

Revenue from the interconnection and roaming of voice and data traffic with other telecommunications operators is recognized at the time of transit across our network.

**Value-added services**

The Company has offerings where it provides customers with additional content, such as music, video streaming and SMS services, as Value-Added Services (VAS). On this type of services, the Company recognizes as net revenue since they act as agent. Revenue is recognized at a point of time when relevant services are provided.

**Connection fees**

The Company has concluded that connection fees charged for the activation of services will be recognized over the contract period. The connection fees that are not considered as a distinct performance obligation shall form part of the transaction price and recognized over the period of service.

**Multi elements arrangements (Mobile contract plus handset)**

The Company has concluded that in case of multiple elements arrangements with subsidized products delivered in advance, the component delivered in advance (e.g. mobile handset), will require recognition of a contract asset. Contract asset primary relates to the Company's right on consideration for services and goods provided but not billed at the reporting date.

**Upfront commission**

The Company has concluded that the sale of prepaid cards to dealers or distributors where the Company retains its control over the prepaid cards is assessed as a consignment arrangement. Thus, the Company shall not recognize revenue upon sale to dealers or distributors but upon utilization or expiration of prepaid cards. Consequently, the commission arising from the sale of prepaid cards is recognized as an expense.

**Discounts and promotions**

The Company provides various discounts and promotions to its customers, which may be agreed at inception or provided during the contract term.

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

## 2. Summary of Material Accounting Policies (continued)

### 2.5 Expenses recognition

Expenses are recognized when incurred based on the accrual basis of accounting.

### 2.6 Income tax

The Company provides for income tax in accordance with the Palestinian Income Tax Law and IAS (12), which requires recognizing the temporary differences at the reporting date of the financial statements as deferred taxes. The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for Palestine, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Palestine where the Company operates and generates taxable income.

Deferred taxes are provided on temporary differences at the statement of financial position between the tax basis of assets and the liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Income tax expense represents the accrued income tax which is calculated based on the Company's taxable income. Taxable income may differ from accounting income as the latter includes non-taxable income or non-deductible expenses. Such income or expenses may be taxable or deductible in the following years.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Company offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

### 2.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value, if any. Land is not depreciated.

The property and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

| | Useful life (Years) |
|---|---|
| Network and infrastructure | 3-20 |
| Buildings | 40 |
| Computers and office equipment | 3-10 |
| Furniture and fixtures | 2-10 |
| Decorations and leasehold improvements | 3-8 |
| Others | 2-10 |

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.





## 2. Summary of Material Accounting Policies (continued)

### 2.7 Property and equipment (continued)

Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized, and the carrying amount of the component that is replaced is written off. Other subsequent expenditures are capitalized only when they increase future economic benefits of the related item of property and equipment. All other expenditures are recognized in the statement of profit or loss as the expense is incurred.

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

### 2.8 Work in process

Work in process comprise costs of direct labor, direct materials, equipment, and contractors' costs. After completion, projects in process are transferred to the appropriate category in property and equipment or intangible assets. The carrying values of work in process are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the projects are written down to their recoverable amount.

### 2.9 Inventories

Inventories are stated at the lower of cost and net realizable value; cost is determined using the weighted average method. Costs are those amounts incurred in bringing each product to its present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

### 2.10 Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

### 2.11 Financial instruments

Financial assets and liabilities are recognized on the Company's statement of financial position when the Company becomes a contractual part of the instruments.

#### *A. Financial assets*

**Classifications**

The Company classifies its financial assets in accordance with IFRS (9). The Company's financial assets consist of trade and other receivables, other current assets less prepayments, cash and cash equivalents, and other bank balances. The classification depends on the purpose for which the financial assets were acquired.

## 2. Summary of Material Accounting Policies (continued)

### 2.11 Financial instruments (continued)

### *A. Financial assets (continued)*

**Classifications (continued)**

(a) Trade and other receivables and other current assets less prepayments

Trade and other receivables and other current asset less prepayments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Trade and other receivables and other current assets less prepayments are measured initially at their transaction price and subsequently carried at amortized cost using the effective interest method. Trade and other receivables are included under current assets, except for those with maturity periods in excess of 12 months after the date of the statement of financial position, as they are classified as non-current assets.

If the services rendered or handset delivered by the Company exceed the payment, an unbilled receivable is recognized. Unbilled receivable represents the unbilled revenue for the last 11 days of the post-paid sale of the year and the unbilled handset revenue.

(b) Cash and cash equivalents and other bank balances

Cash and cash equivalents comprise cash on hand, bank balances, and bank deposits with original maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less, net of restricted bank deposits.

**Recognition and measurement**

Financial assets are initially measured at fair value plus transaction costs that are directly related to the acquisition of the financial assets (except for financial assets at fair value, where transaction costs that are directly related to the acquisition of financial assets are recognized directly in the statement of profit or loss). The subsequent measurement of non-derivative financial assets depends on their classification. The Company only maintains financial assets classified at amortized cost.

**Subsequent measurement of financial assets at amortized cost**

Assets held for the purpose of collecting contractual cash flows from them are measured at amortized cost using the effective interest rate method, whereby the contractual terms of the financial assets result on specific dates of cash flows that are only principal and interest payments on the principal outstanding. Interest income from this financial asset is recorded in finance income.

**Impairment of financial assets**

(a) Trade and other receivables

The Company applies the simplified approach to IFRS (9) to measure expected credit losses, which use life expectancy allowance for all receivables.

The calculation of expected credit losses depends on the probability of default, which is calculated according to the credit risk and economic factors and the percentage of loss assumed that the default depends on the collection of trade and other receivables based on the characteristics of similar credit risks and the number of days of late payment, and accordingly the Company adopted a mathematical model based on the mentioned principles above to calculate the expected credit losses according to IFRS (9).





## 2. Summary of Material Accounting Policies (continued)

### 2.11 Financial instruments (continued)

### *A. Financial assets (continued)*

**Impairment of financial assets (continued)**

(b) Cash and cash equivalents and other bank balances

Cash and cash equivalents and other bank balances are also subject to the impairment requirements of IFRS (9).

**Derecognition of financial assets**

Financial assets are derecognized from the statement of financial position when the contractual rights to the cash flows from the asset have expired, or when the financial asset or all of its risks and rewards of ownership have been transferred to another party. The difference in the carrying amount is recognized in the statement of profit or loss.

### *B. Financial liabilities*

Financial liabilities mainly comprise of trade and other payables. Financial liabilities are initially measured at fair value and subsequently carried at amortized cost using the effective interest method. The Company's financial liabilities are classified as financial liabilities at amortized costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether they are claimed by the supplier or not. After initial verification, trade and other payables are subsequently measured at amortized cost using the effective interest rate method. Profits and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

**Derecognition of financial liabilities**

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

### 2.12 Leases

### *A. Definition of leases*

The Company assesses whether a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

## 2. Summary of Material Accounting Policies (continued)

### 2.12 Leases (continued)

#### *A. Definition of leases (continued)*

- The Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

  (i) The Company has the right to operate the asset; or

  (ii) The Company designed the asset in a way that predetermines how and for what purpose it will be used.

#### *B. As a lessee*

The Company leases several assets including sites, office buildings, shops, vehicles and others. The average lease term is 2 to 20 years. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate over a period of lease term. The incremental borrowing rate is the rate of interest that the Company would have to pay, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of- use asset, in a similar economic environment. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease term determined by the Company comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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

a. Fixed payments; and

b. Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.





## 2. Summary of Material Accounting Policies (continued)

### 2.13 Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

### 2.14 Employees' benefits

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

### 2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as well as the interest expense on lease liabilities.

### 2.16 Intangible assets

The Company's main intangible asset is the license agreement with the Ministry of Telecommunications and Information Technology (MTIT). The term of the license is twenty years including the extra years that were granted from the MTIT on 16 March 2015, the effective date of the license, before the extension was granted on 10 September 2009 being the date on which the frequencies to launch operations in the West Bank were made available to the Company.

The intangible assets are recognized at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

- *License:* License cost is amortized using the straight-line method over the license period of 20 years. Amortization expense is recognized in the statement of profit or loss.

- *Software:* Software cost is amortized using the straight-line method over the useful lives of the assets. The software's useful lives ranged from 3 to 6 years. Amortization expense is recognized in the statement of profit or loss.

### 2.17 Foreign currencies

Transactions denominated in currencies other than USD, occurring during the period, are translated to USD using the exchange rate at the date of the transaction. Monetary assets and liabilities, which are denominated in foreign currencies are translated into USD using the rate of exchange at the statement of financial position date. Gains or losses arising from exchange differences are reflected in the statement of profit or loss.

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

## 2. Summary of Material Accounting Policies (continued)

### 2.18 Trade and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether they are claimed by the supplier or not.

### 2.19 Finance cost

Finance costs comprise interest expense on lease liabilities and borrowings.

### 2.20 Finance income

Finance income comprises interest income on the deposits. Interest income is recognised as it accrues in the statement of profit or loss, using the effective interest method.

### 2.21 Basic and diluted earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. The Company does not have any dilutive securities.

### 2.22 Share capital

*Ordinary shares*

Ordinary shares are classified as equity.

*Dividend on ordinary share capital*

Dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders. Dividends for the year that are approved after the reporting date of the financial statements are considered as an event after the reporting date.

### 2.23 Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorized for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting events are discussed on the financial statements when material.

### 2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). The board of directors have been identified as CODM. The Company has a single operating and reportable segment.

### 2.25 Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.





## 3. Property and Equipment

| | Network and infrastructure | Land | Computers and office equipment | Furniture and fixtures | Decorations and leasehold improvements | Others | Work in Process (*) | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| **As at 1 January 2024** | 131,820,625 | 3,952,800 | 17,982,487 | 2,974,611 | 9,593,701 | 280,889 | 5,081,601 | 171,686,714 |
| **Transfers from work in process** | 3,356,479 | - | 571,368 | 1,348 | 82,973 | - | (4,012,168) | - |
| **Additions** | 3,324,190 | - | 280,287 | 25,965 | 145,837 | 11,130 | 3,885,364 | 7,672,773 |
| **Disposals** | (115,652) | - | (168,361) | (127,750) | (20,669) | - | - | (432,432) |
| **As at 31 December 2024** | 138,385,642 | 3,952,800 | 18,665,781 | 2,874,174 | 9,801,842 | 292,019 | 4,954,797 | 178,927,055 |
| **Accumulated depreciation and impairment** | | | | | | | | |
| **As at 1 January 2024** | 94,546,774 | - | 16,536,426 | 2,763,595 | 8,896,794 | 118,721 | - | 122,862,310 |
| **Depreciation for the year** | 9,045,079 | - | 743,877 | 101,558 | 267,087 | 37,002 | - | 10,194,603 |
| **Disposals** | (110,426) | - | (168,361) | (127,728) | (20,669) | - | - | (427,184) |
| **Impairment (note 3.1)** | 2,900,877 | - | 32,732 | 48,800 | - | - | 60,373 | 3,042,782 |
| **As at 31 December 2024** | 106,382,304 | - | 17,144,674 | 2,786,225 | 9,143,212 | 155,723 | 60,373 | 135,672,511 |
| **Net book value:** | | | | | | | | |
| **As at 31 December 2024** | 32,003,338 | 3,952,800 | 1,521,107 | 87,949 | 658,630 | 136,296 | 4,894,424 | 43,254,544 |

* Work in process relates to network expansions under construction.

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

## 3. Property and Equipment (continued)

| | Network and infrastructure | Buildings | Land | Computers and office equipment | Furniture and fixtures | Decorations and leasehold improvements | Others | Work in Process (*) | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| As at 1 January 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 process | 1,860,672 | - | - | 228,667 | 13,784 | 75,877 | 249 | (2,179,249) | - |
| Additions | 2,222,215 | - | 3,952,800 | 547,122 | 16,079 | 83,989 | 1,237 | 3,086,280 | 9,909,722 |
| Disposals | (624,511) | (2,241,082) | (1,662,552) | (6,988) | - | (157,468) | - | - | (4,692,601) |
| Assets held for disposals | 98,957 | - | - | - | - | - | - | - | 98,957 |
| As at 31 December 2023 | 131,820,625 | - | 3,952,800 | 17,982,487 | 2,974,611 | 9,593,701 | 280,889 | 5,081,601 | 171,686,714 |
| Accumulated depreciation and impairment | | | | | | | | | |
| As at 1 January 2023 | 80,787,929 | 168,081 | - | 15,475,930 | 2,580,008 | 8,746,101 | 81,911 | - | 107,839,960 |
| Depreciation for the year | 9,613,447 | 56,027 | - | 1,067,484 | 136,555 | 305,897 | 36,810 | - | 11,216,220 |
| Disposals | (475,371) | (224,108) | - | (6,988) | - | (155,204) | - | - | (861,671) |
| Impairment (note 3.1) | 4,620,769 | - | - | - | 47,032 | - | - | - | 4,667,801 |
| As at 31 December 2023 | 94,546,774 | - | - | 16,536,426 | 2,763,595 | 8,896,794 | 118,721 | - | 122,862,310 |
| Net book value: | | | | | | | | | |
| As at 31 December 2023 | 37,273,851 | - | 3,952,800 | 1,446,061 | 211,016 | 696,907 | 162,168 | 5,081,601 | 48,824,404 |

* Work in process relates to network expansions under construction.





## 3. Property and Equipment (continued)

### 3.1 Impairment of Property and Equipment

The situation in Palestine and specifically in Gaza continues to be unstable and unpredictable. As a result of the conflict, certain infrastructure of the Company has been damaged or destroyed either partially or fully and there were disruptions to the operation of many cellular transmission towers. The management has made an assessment that includes significant judgment to determine the amount of the impairment loss for the property and equipment, primarily cell phone towers.

In late 2023, early 2024 and as explained in Note 2.3, the Company in the first instance identified towers that were known to be substantively destroyed in order to impair these in full. As a completely destroyed tower clearly has no value in use or fair value, the recoverable amount was considered to be nil, tested at the asset level. While the Company is not able to freely visit and inspect all of its assets in Gaza at the current time, certain inspections have been possible. The Company is also able to identify towers that are definitely still working as traffic data from these towers can be observed at the Head Office in the West Bank. During the year, an impairment of USD 2,900,877 (2023: USD 4,620,769) was booked for destroyed towers.

For the remaining towers that are fully operational, the Company has performed a value in use test at the CGU level because towers do not individually generate separately identifiable cash inflows.

As explained in note 2.3 the Company has only a single CGU. The value in use impairment test projected cash flows for the next 5 years before extrapolating for later periods at a growth rate of 3.5% and discounting at a WACC of 16.3%. The projections considered significant anticipated cash flow relevant to the license renewal which is expected in 5 years' time and recoverability of the towers and other assets of the CGU. In addition to the growth and discount rates, the impairment test is also dependent on revenue and earnings before interest, taxes, depreciation, and amortization (EBTIDA) assumptions.

As the Company has only a single CGU and the operations in Gaza are a small portion of the Company's revenues and profits, the impairment test had a significant amount of headroom. Substantially all of the Company's asset carrying amounts are supported by cash flows in just the next 5 years. Even after assuming a conservative USD 9,993,078 repair bill for damage in Gaza in 2025, the model continued to indicate significant amounts of headroom.

The Company's other property and equipment in Gaza is not as significant as the towers and there is no indication that any other assets are fully destroyed except for furniture and fixtures where impairment loss amounted to USD 48,800 (2023: USD 47,032). In addition to that, an impairment provision of USD 32,732 and USD 60,373 was booked for computers and office equipment and work in process respectively. To the extent that other assets are damaged and will require repair, their value is supported as part of the value in use impairment test described above. Repair costs will be charged to profit or loss in future years as expenditure is incurred. New towers to replace destroyed ones will be capitalized when built.

While a significant amount of estimation was required in determining the appropriate impairment loss to record, the Company believes that the approach taken has enabled it to determine an appropriate charge within the bounds of materiality.

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

## 4. Right-of-use Assets

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of the year | **8,880,802** | 11,134,783 |
| Additions | **5,738,901** | 2,422,808 |
| Depreciation | **(5,507,848)** | (4,612,475) |
| Termination of lease contract | **-** | (64,314) |
| **Balance, end of the year** | **9,111,855** | 8,880,802 |

Below is the breakdown of right-of-use asset per category:

| | 2024 | 2023 |
|---|---|---|
| Network and infrastructure | **4,769,447** | 6,409,964 |
| Buildings | **3,570,769** | 1,785,254 |
| Others | **771,639** | 685,584 |
| | **9,111,855** | 8,880,802 |

Below is the breakdown of the right-of-use assets depreciation charge for the years ended 31 December 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Network and infrastructure | **3,298,651** | 3,127,171 |
| Buildings | **1,841,051** | 1,093,939 |
| Others | **368,146** | 391,365 |
| | **5,507,848** | 4,612,475 |





## 5. Intangible Assets

The movement of the intangible assets is as follows:

| | License (*) | Software | Work in process (**) | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **As at 1 January 2024** | **140,000,000** | **37,079,047** | **1,862,976** | **178,942,023** |
| **Transfers** | **-** | **1,795,513** | **(1,795,513)** | **-** |
| **Additions** | **-** | **2,532,190** | **660,302** | **3,192,492** |
| **As at 31 December 2024** | **140,000,000** | **41,406,750** | **727,765** | **182,134,515** |
| **Accumulated amortization** | | | | |
| **As at 1 January 2024** | **105,584,559** | **33,020,398** | **-** | **138,604,957** |
| **Amortization during the year** | **6,058,704** | **2,045,558** | **-** | **8,104,262** |
| **As at 31 December 2024** | **111,643,263** | **35,065,956** | **-** | **146,709,219** |
| **Net book value:** | | | | |
| **As at 31 December 2024** | **28,356,737** | **6,340,794** | **727,765** | **35,425,296** |
| Cost | | | | |
| As at 1 January 2023 | 140,000,000 | 36,111,384 | 976,473 | 177,087,857 |
| Transfers | - | 407,078 | (407,078) | - |
| Additions | - | 560,585 | 1,293,581 | 1,854,166 |
| As at 31 December 2023 | 140,000,000 | 37,079,047 | 1,862,976 | 178,942,023 |
| Accumulated amortization | | | | |
| As at 1 January 2023 | 99,542,406 | 31,624,587 | - | 131,166,993 |
| Amortization during the year | 6,042,153 | 1,395,811 | - | 7,437,964 |
| As at 31 December 2023 | 105,584,559 | 33,020,398 | - | 138,604,957 |
| Net book value: | | | | |
| As at 31 December 2023 | 34,415,441 | 4,058,649 | 1,862,976 | 40,337,066 |

* The Company's telecommunication license was agreed on 14 March 2007 and commenced on 10 September 2009 when frequencies were first allocated to the Company in the West Bank. The terms of the license covered 2G and 3G in both the West Bank and Gaza for a total price of USD 354,000,000. An initial payment was made of USD 140,000,000 with additional payments to be made once certain subscriber numbers were reached.

However, the Ministry of Telecommunications and Information Technology (MTIT) was not able to allocate the needed frequencies for 3G service in the West Bank, or any service in Gaza, for significant periods of time. MTIT was also unable to secure the necessary approvals for equipment entry to Palestine to facilitate the roll out of the network on a timely basis.

In light of the fact that the Company has not received access to all of the intangible rights for which they contracted, it believes that a large part of the license arrangement remains executory. MTIT has not provided all of the contracted rights, and the Company has not paid in full. Consequently, the Company has assessed what it believes is a reasonable fee for the license received bearing in mind the attributes that were substantially delayed and others that still remain undelivered. The Company was unable to launch its services as originally anticipated due to MTIT's inability to meet its obligation under the license by allocating the needed frequencies and securing the necessary approvals for equipment entry, which resulted in a delay of the 2G services by 2 years in West Bank and by 10 years in Gaza while the permissions and frequency needed to launch 3G services in Gaza are still pending.

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

## 5. Intangible Assets (continued)

The Company's best estimate of the amount it will ultimately have to pay for the current license is USD 140,000,000 representing the amount already paid. The amount ultimately due is expected to be determined through negotiations during 2025 with MTIT and could significantly vary from the amount provided.

During the previous years, the MTIT requested the Company to pay additional amounts for the license, though the Company's current best estimate shows that it will not be obliged to pay any additional amounts for the license other than what was already paid since it was unable to utilize all the benefits granted in the license agreement.

The Company is currently in discussion with the government authorities in this regard and a conclusion is expected to be reached during 2025.

** Work in process represents capitalization of significant changes in the functionalities in the existing software or additions of new major software purchased from third-party suppliers from which the management believes that the company will have future economic benefits.

## 6. Other Non-Current Assets

Other non-current assets mainly relate to long-term advances or deposits made in respect of property and equipment.

## 7. Deferred Tax Asset

The movement on the deferred tax assets for the years ending 31 December 2024 and 2023 is as follows:

| | **2024** | 2023 |
|---|---|---|
| Balance, beginning of the year | **840,300** | 795,623 |
| Deferred tax asset addition | **115,215** | 44,677 |
| **Balance, end of the year** | **955,515** | 840,300 |

## 8. Inventories

| | **2024** | 2023 |
|---|---|---|
| Goods and accessories | **521,332** | 289,758 |
| Other inventories | **1,109,795** | 858,038 |
| | **1,631,127** | 1,147,796 |
| Impairment provision | **(533,647)** | (320,000) |
| | **1,097,480** | 827,796 |





## 8. Inventories (continued)

The movement on the inventory impairment provision for the years ended 31 December 2024 and 2023 is as follows:

| | **2024** | 2023 |
|---|---|---|
| Balance, beginning of the year | **320,000** | - |
| Impairment loss (note 23) | **213,647** | 320,000 |
| **Balance, end of the year** | **533,647** | 320,000 |

Considering the current situation in Gaza and since the Company was not able to determine the actual damage to be written off, therefore, the company has provided for the amount of USD 533,647 which is the best estimate the management could conclude on for the inventory in Gaza.

## 9. Other Current Assets

| | **2024** | 2023 |
|---|---|---|
| Prepaid warranty | **1,495,015** | 1,597,634 |
| Prepaid to suppliers* | **953,529** | 980,483 |
| Other prepaid expenses | **137,529** | 136,620 |
| | **2,586,073** | 2,714,737 |

*This represents advance payments for maintenance and support contracts signed with suppliers pertaining operating expenditures.

## 10. Trade and Other Receivables

| | **2024** | 2023 |
|---|---|---|
| Trade receivables | **20,452,697** | 17,014,654 |
| Unbilled receivable* | **7,174,313** | 8,989,466 |
| Others | **168,711** | 3,619,396 |
| | **27,795,721** | 29,623,516 |
| Provision for impairment of trade and other receivables (note 29.3) | **(8,619,958)** | (7,137,505) |
| | **19,175,763** | 22,486,011 |

* Unbilled accounts are recognized as revenue for each accounting period separately. Unbilled receivables represent revenue for services that have been provided but not billed for post-paid sales and sales of goods.

The following is a summary of the movement on the provision for impairment of trade and other receivables during the years ended 31 December 2024 and 2023:

| | **2024** | 2023 |
|---|---|---|
| Balance, beginning of the year | **7,137,505** | 6,936,289 |
| Additions | **1,546,272** | 375,160 |
| Currency differences | **(63,819)** | (173,944) |
| **Balance, end of the year** | **8,619,958** | 7,137,505 |

## 11. Cash and Cash Equivalents and Other Banks Balances

| | 2024 | 2023 |
|---|---|---|
| Bank balances, deposits, and cash on hand | **120,377,487** | 94,372,676 |
| Restricted cash | **6,392,185** | 582,691 |
| | **126,769,672** | 94,955,367 |
| Less (Other bank balances): | | |
| Deposits with maturity of more than three months (i) | **(38,575,775)** | (32,655,407) |
| Restricted deposits (ii) | **(6,392,185)** | (582,691) |
| **Cash and cash equivalents as per statement of cash flows** | **81,801,712** | 61,717,269 |

(i) The Company had deposits at local banks amounting to USD 116,326,211 as at 31 December 2024, and USD 93,893,593 as at 31 December 2023. Of the total deposits USD 38,575,775 as at 31 December 2024, are deposits with maturity of more than three months and USD 32,655,407 as at 31 December 2023.

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

## 12. Share Capital

| | 2024 | 2023 |
|---|---|---|
| Wataniya International FZ – LLC (WIL) | **144,339,191** | 144,339,191 |
| Palestine Investment Fund, PLC (PIF) | **92,872,124** | 92,872,124 |
| Aswaq for Investments Portfolio Company | **17,191,088** | 17,067,797 |
| Other shareholders | **38,597,597** | 38,720,888 |
| | **293,000,000** | 293,000,000 |

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting, is entitled to one vote.

## 13. Lease Liabilities

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of the year | **7,860,685** | 10,157,830 |
| Interest | **446,812** | 556,762 |
| Additions | **5,738,901** | 2,422,808 |
| Termination of lease contract | **-** | (45,796) |
| Principal elements of lease payments | **(5,356,629)** | (5,130,712) |
| Currency differences | **(55,367)** | (100,207) |
| **Balance, end of the year** | **8,634,402** | 7,860,685 |
| | | |
| Current lease liabilities | **3,332,105** | 4,217,553 |
| Non-current lease liabilities | **5,302,297** | 3,643,132 |
| | **8,634,402** | 7,860,685 |



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## 14. Employees' Benefits

The amounts recognized in the statement of financial position and the movements in the provision for employees' end of service benefits over the year is as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of the year | **8,403,003** | 7,956,233 |
| Additions during the year | **1,604,361** | 1,436,466 |
| **Total amount recognized in profit or loss** | **1,604,361** | 1,436,466 |
| | | |
| Benefits paid during the year | **(452,215)** | (989,696) |
| **Balance, end of the year** | **9,555,149** | 8,403,003 |

In accordance with the requirements of IAS (19), "Employees' benefits", management has estimated the present value of its obligations as at 31 December 2024 using the estimated additional unit method related to the end-of-service compensation payable to employees under the applicable Palestinian Labor Law, the expected obligation at the date of ending service was discounted to its net present value using a discount rate of 4.50%. Under this method, an assessment is made of the expected service life of the employees with the Company and the expected salary at the date of ending the service. Management has assumed average bonus/promotion costs of 3.75%. The present value of the obligation as at 31 December 2024 does not differ materially from the provision calculated in the above table in accordance with the applicable Laws.

The following is a table showing the impact of a possible change in the basic assumptions on the provision for end of service indemnity, with all other affecting variables remaining constant:

| | Change % | Assumption Increase | Assumption Decrease |
|---|---|---|---|
| **Discount rate** | **0.5%** | **Decrease in provision by 323,969** | **Increase in provision by 345,748** |
| **Average salary premium** | **0.5%** | **Increase in provision by 394,422** | **Decrease in provision by 372,331** |

## 15. Trade and Other Payables

| | 2024 | 2023 |
|---|---|---|
| Accrued expenses* | **26,631,634** | 21,999,475 |
| Trade payables | **13,386,988** | 13,996,434 |
| Accrued project cost | **6,437,330** | 5,332,845 |
| Payroll accrued costs | **3,891,208** | 3,377,753 |
| VAT payable | **1,471,579** | 354,926 |
| Other payables | **3,204,721** | 3,653,063 |
| | **55,023,460** | 48,714,496 |

*Accrued expenses mainly consist of accrued operating and other regulatory expenditures.

## 16. Deferred Income

Deferred income pertains to unearned revenue from services that will be provided in future periods. It primarily includes revenue from the unused and unutilized portion of prepaid cards sold. The sale of prepaid cards is deferred until such time as the customer uses the airtime, or the credit expires.

## 17. Income Tax Payable

The movement on the income tax provision for the years ending 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of the year | 1,751,401 | 3,863,202 |
| Provision for the year | 1,616,933 | 1,721,500 |
| Payments | (3,071,769) | (3,545,337) |
| Income tax incentive | (104,132) | - |
| Currency differences | (24,429) | (287,964) |
| **Balance, end of the year** | 168,004 | 1,751,401 |

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

| | 2024 | 2023 |
|---|---|---|
| Provision for the year | (1,512,801) | (1,721,500) |
| Deferred tax asset (note 7) | 115,215 | 44,677 |
| **Income tax provision for the year** | (1,397,586) | (1,676,823) |

According to the Palestinian Investment Promotion Agency certificate issued on 27 October 2009, the Company was granted the right to benefit from the Palestinian Law for Encouragement of Investment. Accordingly, the Company was 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 31 December 2030 (10% instead of 20%). During 2012, the Company agreed at the request of Palestinian Ministry of Finance to voluntary defer the full income tax exemption for the years 2012 and 2013. Therefore, the full income tax exemption was extended until 2016. The Company has reached a clearance with the Palestinian tax department for the years until 2022. The Company did not reach final settlements on its results for the years 2023 and 2024.

## 18. Revenue

| | 2024 | 2023 |
|---|---|---|
| Telecommunication services | 102,287,389 | 99,245,086 |
| Sales of goods and others | 6,662,848 | 9,756,899 |
| | 108,950,237 | 109,001,985 |

The revenues of the Company were recognized as follows:

| | 2024 | 2023 |
|---|---|---|
| Over time | 105,331,553 | 102,764,471 |
| At a point in time | 3,618,684 | 6,237,514 |
| | 108,950,237 | 109,001,985 |



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## 19. Network, Interconnect, and Other Operating Expenses

| | 2024 | 2023 |
|---|---|---|
| Outpayment and interconnect charges | 16,849,085 | 13,463,451 |
| Network operations and maintenance | 6,693,277 | 6,967,909 |
| Regulatory and related fees | 6,264,572 | 6,184,838 |
| Rentals and utilities* | 6,259,006 | 5,784,507 |
| Commissions of cards | 4,242,123 | 4,992,277 |
| Cost of equipment sold and other services | 3,530,005 | 5,894,277 |
| Marketing cost and sponsorship | 2,079,437 | 2,701,707 |
| Legal and professional fees | 354,284 | 278,111 |
| Other expenses** | 4,873,873 | 472,117 |
| | 51,145,662 | 46,739,194 |

* The Company chose not to recognize the right of use assets and lease liabilities that are related to short-term leasing contracts that are 12-month long or less, or the leasing contracts of the low valued assets. The Company recognizes the lease payments related to these contracts as an expense over the leasing period using the straight-line method.

** Other expenses for the year ended 31 December 2024 includes supply of management services and brand license fees that amounted to USD 2,723,752 charged by both the Parent Company and Ooredoo IP LLC.

## 20. Employees' Salaries and Associated Costs

| | 2024 | 2023 |
|---|---|---|
| Salaries and allowances | 17,856,220 | 16,397,154 |
| End of service benefit | 1,604,361 | 1,436,466 |
| Training and related costs | 104,115 | 179,069 |
| | 19,564,696 | 18,012,689 |

## 21. Finance Cost

| | 2024 | 2023 |
|---|---|---|
| Interest on lease liability | 446,812 | 556,762 |
| Other finance charges | 35,000 | 60,000 |
| | 481,812 | 616,762 |

## 22. Finance Income

Finance income represents interest income on deposits in local banks.

## 23. Impairment Loss

**Impairment - tangible assets, inventory and trade and other receivables**

The Company has assessed the impact of the on-going conflict in Gaza on the inventory, trade and other receivables, and tangible assets. The Company has performed an assessment, accounted for the increased credit risk and estimated impairments. The Company has recorded an impairment loss of the estimated losses in Gaza for a total of USD 4,802,701 (2023: USD 5,362,961) as detailed below. The Company will continue to evaluate the quantitative impact on its financial statements as circumstances develop.

| | **2024** | 2023 |
|---|---|---|
| Network and infrastructure - property and equipment (note 3) | **2,900,877** | 4,620,769 |
| Inventories (note 8) | **213,647** | 320,000 |
| Work in progress - property and equipment (note 3) | **60,373** | - |
| Furniture and fixtures - property and equipment (note 3) | **48,800** | 47,032 |
| Computers and office equipment - property and equipment (note 3) | **32,732** | - |
| **Reported as "Impairment loss"** | **3,256,429** | 4,987,801 |
| Trade and other receivables (note 10) | **1,546,272** | 375,160 |
| **Reported as "Impairment of trade and other receivables"** | **1,546,272** | 375,160 |
| **Total impairments arising from Gaza conflict** | **4,802,701** | 5,362,961 |

## 24. Other Gains – Net

| | **2024** | 2023 |
|---|---|---|
| Foreign currency gain - net | **232,091** | 11,943 |
| (Loss) / Gain on disposal of property and equipment | **(5,248)** | 256,977 |
| Miscellaneous loss | **-** | (31,711) |
| | **226,843** | 237,209 |

## 25. Basic and Diluted Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

| | **2024** | 2023 |
|---|---|---|
| Profit for the year | **11,765,047** | 16,139,027 |
| Weighted average number of shares | **293,000,000** | 293,000,000 |
| **Basic and diluted earnings per share for the year** | **0.0402** | 0.0551 |

## 26. Commitments and Contingencies

As of the financial statements date, the Company has outstanding contractual commitments resulting from purchases, services, and construction contracts, as well as operating license of the Company.

Following is a summary of the outstanding commitments:

| | **2024** | 2023 |
|---|---|---|
| Contracts and purchase orders | **14,877,454** | 9,159,182 |
| Operation license* | **214,000,000** | 214,000,000 |



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## 26. Commitments and Contingencies (continued)

* As disclosed in note 5 to the financial statements, 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, the remaining amount of USD 214,000,000 represents the unrecognized liability in the financial statements resulting from MTIT not fulfilling its obligations in relation with granting the Company timely access to Gaza and 3G frequencies amongst other things. The Company estimates that this amount will not be payable to MTIT and therefore no provision for the same has been recognized.

In addition to the above, as disclosed in note 3.1 and note 23, the Company has detailed the impairment losses recognized as a result of the conflict in Gaza. The Company has an insurance policy that covers it against losses arising from war. In due course the Company expects to recover these losses from its insurer but at the present time it has not been possible to prepare and submit claims for the insurer's consideration. Consequently, recovery of these losses is not yet considered to be virtually certain and have not been recognized.

## 27. Related Party Transactions

This item represents transactions carried out with related parties which include the Parent Company, the Ultimate Parent Company, shareholders who have significant influence over the Company and their subsidiaries, key managerial personnel and board of directors. Pricing policies and terms of these transactions are approved by the Company's management.

The balances and transactions with related parties included in the statement of financial position are as follows:

| | **Nature of relationship** | **2024** | 2023 |
|---|---|---|---|
| Employees' benefits | Key managerial personnel | **716,140** | 623,412 |
| Due to related parties | Ultimate Parent Company | **425,802** | 300,564 |
| Due from related parties | Ultimate Parent Company | **2,057,749** | - |
| Right of use assets | Subsidiaries of a shareholder having significant influence over the Company | **1,370,479** | - |
| Lease liability | Subsidiaries of a shareholder having significant influence over the Company | **1,410,337** | - |
| Trade and other payables – Supply of management services | Parent Company | **1,089,500** | - |
| Trade and other payables – Brand license fees | Subsidiaries of a shareholder having significant influence over the Company | **1,634,252** | - |
| Due to related parties* | Subsidiaries of a shareholder having significant influence over the Company | **-** | 1,569,248 |

## 27. Related Party Transactions (continued)

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

| | Nature of relationship | 2024 | 2023 |
|---|---|---|---|
| Company's key management personnel compensation - short term | Key managerial personnel | **1,311,146** | 1,494,173 |
| Company's key management personnel - Post employment benefits | Key managerial personnel | **78,138** | 166,219 |
| Telecommunication services revenue | Ultimate Parent Company | **8,985,853** | - |
| Revenue from shareholders | Shareholders | **8,292** | 6,551 |
| Outpayment and interconnect charges | Ultimate Parent Company | **292,640** | - |
| Supply of management services | Parent Company | **1,089,500** | - |
| Brand license fees | Subsidiaries of a shareholder having significant influence over the Company | **1,634,252** | - |
| Interest on lease liability | Subsidiaries of a shareholder having significant influence over the Company | **84,069** | - |
| Depreciation expense on right of use assets | Subsidiaries of a shareholder having significant influence over the Company | **685,239** | - |
| Sale price of buildings and land* | Subsidiaries of a shareholder having significant influence over the Company | **-** | 4,318,334 |
| Purchase of Land | Subsidiaries of a shareholder having significant influence over the Company | **-** | 4,585,248 |

* These amounts represent the net amounts receivable / payable from related parties related to sell/purchase of property and equipment with related parties at arm's length (due in 35 days) in 2023.

## 28. Fair value of Financial Instruments

Given that trade and other receivables, cash and cash equivalents, other bank balances, and trade and other payables have a short-term collection or payment period their book values are considered equal to their fair values.

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

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



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## 29. Risk Management

### 29.1 Interest rate risk

The Company does not have any floating rate financial asset or liability. Thereby the Company does not have any interest rate risk.

### 29.2 Foreign currency risk

The following analysis explains the sensitivity of the statement of profit or loss to the reasonably possible changes in the USD exchange rates against the Israeli Shekel, with all other variables held constant.

| | Increase/ decrease in ILS rate to USD % | Impact on the statement of profit or loss for the year USD |
|---|---|---|
| **2024** | | |
| **USD** | **+5** | **126,454** |
| **USD** | **-5** | **(126,454)** |
| 2023 | | |
| USD | +5 | (235,905) |
| USD | -5 | 235,905 |

### 29.3 Credit risk

The credit risk of the Company arises from cash at banks, deposits in banks, and trade and other receivables.

The Company provides telecommunication services to various customers. It is the Company's policy that all customers who obtain the goods and/or services on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the purchase of service limits are established for each customer, which are reviewed regularly based on the level of past transactions and settlement.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade and other receivables, unbilled subscriber revenue and contract assets. The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

To measure the expected credit losses, trade and other receivables, unbilled subscriber revenue and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade and other receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for the current trade and other receivables are a reasonable approximation of the loss rates for the unbilled subscriber revenue and contract assets.

Management has assessed that any reasonable possible change in the key assumptions in relation to the provision for loss allowance would not result in a material impact. The Company applies the simplified model approach to measure expected credit losses for trade and other receivables, cash and cash equivalents (excluding cash on hand) and due from related parties.

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

## 29. Risk Management (continued)

### 29.3 Credit risk (continued)

**Credit risk grades**

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

While other receivables and due from related parties are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

With respect to credit risk arising from the cash and cash equivalents (excluding cash on hand), the Company's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company reduces the exposure to credit risk arising from bank balances by maintaining bank accounts in reputed banks. They perform an assessment to evaluate the credit risk profile of the banks.

**Risk management**

Credit risk may arise from the failure of the other party to the financial instrument to fulfill its obligations to the Company, leading to losses. Most of the Company's customers are customers of prepaid recharge cards. The maximum customer credit risk is the amount of receivables shown in note (10) to the financial statements. With regard to credit risks arising from other financial assets, which include cash on hand and cash at banks, the Company's exposure to credit risk results from the failure of the other party to meet its obligations and at a maximum equal to the book value of these financial assets.

The Company's cash is generally deposited with commercial banks and financial entities, which are considered to have acceptable credit risks.

Prepaid scratch cards sales constitute a large proportion of the Company's sales (i.e., paid in cash). As for sales of post-paid customers, the Company takes adequate guarantees that limit the Company's exposure to credit risk, such as checks and deposits from customers.

**Impairment of financial assets**

Trade and other receivables are the only type of financial assets that are subject to the model of expected credit loss in accordance with IFRS 9. The Company should review its methodology of impairment in accordance with IFRS 9 regarding receivables. While other types of financial assets are also subject to the requirements for impairment in accordance with IFRS 9, the outcome of an impairment loss determined for these financial assets has no material impact on the financial statements.

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 ('PD'), which is calculated according to the credit risk, economic factors and the loss given default ('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. As shown below, the expected credit losses were measured as 31 December 2024.





## 29. Risk Management (continued)

### 29.3 Credit risk (continued)

| | Unbilled receivable, other trade receivables and others | Not due | 1 - 30 days | 31 – 60 days | 61 – 90 days | 91 - 120 days | 121 - 360 days | Over 360 days | Total |
|---|---|---|---|---|---|---|---|---|---|
| **31 December 2024** | | | | | | | | | |
| **Expected loss rate** | **2.35%** | **4.15%** | **11.73%** | **16.33%** | **25.83%** | **24.22%** | **36.89%** | **100%** | |
| **Trade receivables** | **5,442,766** | **1,913,838** | **1,193,646** | **813,745** | **785,455** | **650,714** | **3,241,446** | **6,411,087** | **20,452,697** |
| **Unbilled receivable** | **7,174,313** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **7,174,313** |
| **Others** | **168,711** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **168,711** |
| **Provision for impairment of trade and other receivables** | **(300,387)** | **(79,424)** | **(140,044)** | **(132,906)** | **(202,848)** | **(157,614)** | **(1,195,648)** | **(6,411,087)** | **(8,619,958)** |
| 31 December 2023 | | | | | | | | | |
| Expected loss rate | 4.85% | 6.54% | 14.79% | 28.90% | 47.03% | 44.54% | 52.77% | 100.00% | |
| Trade receivables | 5,519,492 | 2,686,194 | 1,320,505 | 745,407 | 577,840 | 275,978 | 1,295,743 | 4,593,495 | 17,014,654 |
| Unbilled receivable | 8,989,466 | - | - | - | - | - | - | - | 8,989,466 |
| Others | 3,619,396 | - | - | - | - | - | - | - | 3,619,396 |
| Provision for impairment of trade and other receivables | (878,979) | (175,788) | (195,328) | (215,419) | (271,752) | (122,923) | (683,821) | (4,593,495) | (7,137,505) |

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and failure to make contractual payments for a period of greater than 360 days past due.

Expenses of provision for impairment of trade and other receivables are shown in the statement of profit or loss.

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

## 29. Risk management (continued)

### 29.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of the Company's own reserves and bank facilities. The Company's terms of sales require amounts to be paid within 30 to 90 days from the invoice date. The Company manages liquidity risk by ensuring availability of facilities from banks and the necessary financing from shareholders. The tables below summarize the maturities of the Company's financial liabilities (undiscounted) as at 31 December 2024 based on contractual payment dates and current market interest rates. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Less than 3 months | From 3 to 12 Months | Over 1 year | Total contractual cash flow | Carrying amount |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| **Trade and other payables*** | **11,082,716** | **39,641,448** | **-** | **50,724,164** | **50,724,164** |
| **Lease liabilities** | **1,926,841** | **1,994,361** | **5,318,813** | **9,240,015** | **8,634,402** |
| **Total liabilities** | **13,009,557** | **41,635,809** | **5,318,813** | **59,964,179** | **59,358,566** |

| | Less than 3 months | From 3 to 12 Months | Over 1 year | Total contractual cash flow | Carrying amount |
|---|---|---|---|---|---|
| 31 December 2023 | | | | | |
| Trade and other payables* | 13,510,445 | 31,625,177 | - | 45,135,622 | 45,135,622 |
| Lease liabilities | 1,839,861 | 3,182,706 | 3,517,504 | 8,540,071 | 7,860,685 |
| Total liabilities | 15,350,306 | 34,807,883 | 3,517,504 | 53,675,693 | 52,996,307 |

* Excluding amounts due to tax authorities and provision for employees' vacations.

The conflict in Gaza has affected the Company's operating activities, assets, revenues, and results of operations. However, the Company has high operating cash flows for the year ended 31 December 2024, and the Company has positive cash projections. The ongoing events in Gaza are expected to reduce operating cash flows in 2025 and there will likely be a need to fund reconstruction of damaged and destroyed assets once the fighting ends. The Company's unleveraged position means that management expects to be able weather any downturn in revenues and fund the rebuilding of assets when circumstances permit. The Company has net funds of USD 118,135,270 as set out in note 30 compared to total assets in Gaza of USD 11,460,546. Even if the conflict in Gaza persists into the future, the Company expects to be able to generate positive cash flows from its operations in the West Bank.





## 30. Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company makes adjustments to its capital structure, in light of changes in economic and business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and 31 December 2023.

Equity includes share capital, share premium and accumulated losses amounted to USD 161,549,293 at 31 December 2024 and USD 149,784,246 as at 31 December 2023.

The Company's management reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital, and the risks associated with each class of capital. The gearing ratio as at 31 December 2024 and 2023 is 0%. The Company is in net funds position and therefore, has no net debt.

*Gearing ratio*

The gearing ratio at year end was as follows:

| | **2024** | 2023 |
|---|---|---|
| Debt | **(8,634,402)** | (7,860,685) |
| Cash and cash equivalents and other bank balances | **126,769,672** | 94,955,367 |
| **Net funds** | **118,135,270** | 87,094,682 |
| Equity | **161,549,293** | 149,784,246 |
| **Net debt to equity ratio** | **0%** | 0% |

## 31. Segment Reporting

The Company has a single operating and reportable segment "Telecommunication services" because the Board (Chief Operating Decision Maker) reviews performance of the Company only as a whole and not on a segmental basis. The Company is a mobile telecoms operator in Palestine only so there is no segmental information to disclose.

## 32. Litigations

The Company appears as a defendant in cases brought against it. The management believes that the provisions made against these cases are sufficient.

Done

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