

WATANIYA PALESTINE MOBILE TELECOMMUNICATION, Public Shareholding Company (Ooredoo Palestine)

Unaudited condensed interim financial statements for the three months ended March 31, 2020

(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Non-current assets		
Property and equipment	70,537,750	69,381,072
Projects in progress	6,113,912	6,063,468
Right of use assets	7,621,457	8,736,392
Intangible assets	109,694,550	111,946,255
Total non-current assets	193,967,669	196,127,187
Current assets		
Inventories	2,254,568	2,211,100
Other current assets	2,859,705	3,329,457
Trade receivable	12,180,265	11,015,876
Cash and cash equivalents	16,494,568	25,222,593
Total current assets	33,789,106	41,779,026
Total assets	227,756,775	237,906,213
EQUITY AND LIABILITIES		
Equity		
Paid-in capital	293,000,000	293,000,000
Share premium	11,610,000	11,610,000
Accumulated losses	(207,285,794)	(208,566,016)
Total equity	97,324,206	96,043,984
Liabilities		
Non-current liabilities		
Long-term loans	21,250,000	31,875,000
Lease Liability	5,772,402	5,481,682
Provision for employees' benefits	6,515,078	6,871,235
Other provision	44,871,337	44,871,337
Total non-current liabilities	78,408,817	89,099,254
Current liabilities		
Accounts payable	8,380,069	8,069,532
Long term loans mature within one year	1,875,000	6,250,000
Lease Liability	2,037,236	3,714,856
Deferred revenues	4,402,794	5,088,448
Other current liabilities	28,131,177	24,789,730
Accrued project costs	7,197,476	4,850,409
Total current liabilities	52,023,752	52,762,975
Total liabilities	130,432,569	141,862,229
Total equity and liabilities	227,756,775	237,906,213

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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
For the three months period ended March 31

	For the three months period ended March 31,	
	2020 (Unaudited)	2019 (Unaudited)
Revenue	25,735,029	23,188,497
Cost of services	(11,636,064)	(11,107,809)
Gross Profit	14,098,965	12,080,688
General and administrative expenses	(6,472,434)	(6,073,673)
Depreciation and amortization	(6,113,231)	(6,570,056)
(Provision) Recovery for impairment of trade receivables	(294,195)	173,986
	1,219,105	(389,055)
Finance costs	(510,570)	(858,755)
Interest income	157,093	181,981
Other income	342,520	-
Gain of currency differences	72,074	39,459
Profit (Loss) for the period	1,280,222	(1,026,370)
Basic and diluted earnings (loss) per share from the period's profit	0.0044	(0.004)

- The above financial statements should be read in conjunction with accompanying notes on pages 8 to 17.

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the three months period ended March 31

	For the three months period ended March 31,	
	2020 (Unaudited)	2019 (Unaudited)
Profit (Loss) for the period	1,280,222	(1,026,370)
Other comprehensive income for the period	-	-
Total comprehensive income (loss) for the period	1,280,222	(1,026,370)

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months period ended March 31

	Paid-in share capital	Share premium	Accumulated losses	Net equity
Balance at January 1, 2019	293,000,000	11,610,000	(208,470,697)	96,139,303
Change in accounting policy (see note 17)	-	-	(1,218,516)	(1,218,516)
Adjusted Balance as at January 1, 2019	293,000,000	11,610,000	(209,689,213)	94,920,787
Loss for the period	-	-	(1,026,370)	(1,026,370)
Balance at March 31, 2019	293,000,000	11,610,000	(210,715,583)	93,894,417
Balance at January 1, 2020	293,000,000	11,610,000	(208,566,016)	96,043,984
Profit for the period	-	-	1,280,222	1,280,222
Balance at March 31, 2020	293,000,000	11,610,000	(207,285,794)	97,324,206

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CONDENSED INTERIM STATEMENT OF CASH FLOWS For the three months period ended March 31, 2020

	For the three months period ended March 31,	
	2020 (Unaudited)	2019 (Unaudited)
Operating activities		
Profit (Loss) for the period	1,280,222	(1,026,370)
Adjustments:		
Depreciation	3,070,666	3,473,459
Right of use assets depreciation	520,640	592,312
Provision for employees' indemnity	415,414	381,673
Provision (Recovery) for doubtful accounts	294,195	(173,986)
Finance revenues	(157,093)	(181,981)
Finance costs	386,423	703,630
Finance cost on Lease liability	124,147	155,125
Amortization	2,521,925	2,540,236
Loss of assets classified as held for disposal	111,309	35,951
Cancellation of lease contracts	(342,520)	-
Non-cash items	(178,370)	(1,218,516)
Payments of employees' benefits	(771,571)	(475,935)
	7,275,387	4,805,598
Changes in operational assets and liabilities:		
Inventory	(43,468)	721,373
Other current assets (excluding the accrued interest Income)	445,519	(512,216)
Trade receivable	(1,280,214)	219,814
Accounts payable	310,537	(8,398,377)
Deferred revenue	(685,654)	(550,134)
Other current liabilities (excluding the accrued interest expense)	3,437,101	2,983,266
Net cash flows provided by (used in) operating activities	9,459,208	(730,676)
Investing activities		
Purchase of property and equipment	(3,902,334)	(2,044,536)
Purchase of intangible assets	-	(53,525)
Increase in projects in progress	1,590,084	(7,244,087)
Interest income received	181,326	192,130
Net cash flows used in investing activities	(2,130,924)	(9,150,018)
Financing activities		
Repayment of loans	(15,000,000)	-
Principal elements of lease payments	(574,232)	366,247
Interest paid	(482,077)	(703,630)
Net cash flows used in financing activities	(16,056,309)	(337,383)
Decrease in cash and cash equivalents	(8,728,025)	(10,218,077)
Cash and cash equivalents, beginning of the year	25,222,593	29,317,387
Cash and cash equivalents, end of the period	16,494,568	19,099,310