

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

Condensed Interim Financial Statements for the Nine Months Ended September 30, 2019

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

(All amounts in US Dollars)

	As at	
	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	71,076,703	77,605,905
Projects in progress	1,832,924	3,659,553
Intangible assets	113,842,626	121,189,166
Right of Use assets	8,399,488	-
<b>Total non-current assets</b>	<b>195,151,741</b>	<b>202,454,624</b>
<b>Current assets</b>		
Advances to contractors	1,225,435	505,686
Restricted cash	355,718	2,260,522
Other current assets	3,012,798	2,561,309
Inventory	1,683,768	2,688,938
Accounts receivable	13,314,804	13,152,700
Cash on hand and at banks	16,539,422	27,937,624
<b>Total current assets</b>	<b>36,131,945</b>	<b>49,106,779</b>
<b>Total assets</b>	<b>231,283,686</b>	<b>251,561,403</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	293,000,000	293,000,000
Share premium	11,610,000	11,610,000
Accumulated losses	(210,399,697)	(208,470,697)
<b>Net equity</b>	<b>94,210,303</b>	<b>96,139,303</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provision for employees' indemnity	6,749,492	6,723,380
Interest-bearing loans and borrowings	33,750,000	47,500,000
Other non-current liability	44,871,337	44,871,337
Non-current Lease liabilities	8,629,994	-
<b>Total non-current liabilities</b>	<b>94,000,823</b>	<b>99,094,717</b>
<b>Current liabilities</b>		
Accounts payable	9,312,811	21,189,650
Current portion of interest-bearing loans and borrowings	4,375,000	2,500,000
Due to related parties	223,254	145,755
Deferred revenues	4,609,181	4,591,660
Other current liabilities	22,451,732	17,188,930
Accrued project costs	1,812,015	10,711,388
Current lease liability	288,567	-
<b>Total current liabilities</b>	<b>43,072,560</b>	<b>56,327,383</b>
<b>Total liabilities</b>	<b>137,073,383</b>	<b>155,422,100</b>
<b>Total equity and liabilities</b>	<b>231,283,686</b>	<b>251,561,403</b>

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

Condensed Interim Financial Statements for the Nine Months Ended September 30, 2019

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**

(All amounts in US Dollars)

	For the three months period ended September 30,		For the nine months period ended September 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	26,056,687	26,175,478	72,895,508	76,194,505
Cost of service	(11,793,398)	(10,393,145)	(34,000,574)	(30,945,836)
<b>Gross Profit</b>	<b>14,263,289</b>	<b>15,782,333</b>	<b>38,894,934</b>	<b>45,248,669</b>
Finance revenue	104,924	347,967	366,736	1,022,277
Currency exchange gain (loss)	16,918	70,354	140,996	(33,498)
General and administrative expenses	(6,486,774)	(7,792,785)	(17,928,410)	(26,067,255)
Depreciation and amortization	(6,673,036)	(6,201,382)	(19,968,446)	(18,212,827)
Provision for doubtful accounts	(28,758)	53,342	30,591	(97,464)
Finance cost	(658,262)	(1,038,674)	(2,246,885)	(2,286,441)
	<b>(13,724,988)</b>	<b>(14,561,178)</b>	<b>(39,605,418)</b>	<b>(45,675,208)</b>
<b>Profit (Loss) for the period</b>	<b>538,301</b>	<b>1,221,155</b>	<b>(710,484)</b>	<b>(426,539)</b>
<b>Basic and diluted earnings (losses) per share</b>	<b>0.002</b>	<b>0.004</b>	<b>(0.002)</b>	<b>(0.002)</b>

**WATANIYA PALESTINE MOBILE TELECOMMUNICATION, Public Shareholding Company  
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Condensed Interim Financial Statements for the Nine Months Ended September 30, 2019

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

(All amounts in US Dollars)

	For the three months period ended September 30,		For the nine months period ended September 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Income (Loss) for the period</b>	538,301	1,221,155	(710,484)	(426,539)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income (loss) for the period</b>	<b>538,301</b>	<b>1,221,155</b>	<b>(710,484)</b>	<b>(426,539)</b>

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

Condensed Interim Financial Statements for the Nine Months Ended September 30, 2019

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

(All amounts in US Dollars)

	Share capital	Share premium	Advance Payments to increase capital	Accumulated losses	Net equity
<b>Balance at January 1, 2019</b>	<b>293,000,000</b>	<b>11,610,000</b>	-	<b>(208,470,697)</b>	<b>96,139,303</b>
Change in accounting policy (see note 14)	-	-	-	(1,218,516)	<b>(1,218,516)</b>
<b>Restated total equity as at January 1, 2019</b>	<b>293,000,000</b>	<b>11,610,000</b>	-	<b>(209,689,213)</b>	<b>94,920,787</b>
Total comprehensive loss for the period	-	-	-	(710,484)	<b>(710,484)</b>
<b>Balance at September 30, 2019</b>	<b>293,000,000</b>	<b>11,610,000</b>	-	<b>(210,399,697)</b>	<b>94,210,303</b>
<b>Balance at January 1, 2018</b>	<b>258,000,000</b>	<b>11,610,000</b>	<b>8,000,000</b>	<b>(208,090,504)</b>	<b>69,519,496</b>
Change in accounting policy (see note 15)	-	-	-	(480,667)	<b>(480,667)</b>
<b>Restated total equity as at January 1, 2018</b>	<b>258,000,000</b>	<b>11,610,000</b>	<b>8,000,000</b>	<b>(208,571,171)</b>	<b>69,038,829</b>
Increase in the paid in capital	35,000,000	-	(8,000,000)	-	<b>27,000,000</b>
Total comprehensive loss for the period	-	-	-	(426,539)	<b>(426,539)</b>
<b>Balance at September 30, 2018</b>	<b>293,000,000</b>	<b>11,610,000</b>	-	<b>(208,997,710)</b>	<b>95,612,290</b>

**WATANIYA PALESTINE MOBILE TELECOMMUNICATION, Public Shareholding Company  
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Condensed Interim Financial Statements for the Nine Months Ended September 30, 2019

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

(All amounts in US Dollars)

	For the nine months period ended September 30,	
	2019 (Unaudited)	2018 (Unaudited)
<b>Operating activities</b>		
Loss for the period	(710,484)	(426,539)
<b>Adjustments:</b>		
Depreciation	10,533,004	9,897,063
Impairment of property and equipment	129,252	55,982
Right of use assets depreciation	1,685,818	-
Provision for employees' indemnity	1,710,492	1,549,019
(Recovery) provision for doubtful accounts	(30,591)	97,464
Finance revenues	(366,736)	(1,022,277)
Finance costs	1,815,487	2,286,441
Finance cost on Lease liability	431,398	-
Amortization	7,620,372	8,259,782
Gain on disposal of property and equipment and intangible assets	(37,998)	(143,438)
	<b>22,780,014</b>	<b>20,553,497</b>
<b>Changes in operational assets and liabilities:</b>		
Accounts receivable	(131,513)	(3,074,284)
Inventory	1,005,170	2,198,217
Other current assets	(451,489)	1,439,950
Accounts payable	(11,876,839)	18,166,923
Due to related parties	77,499	(200,722)
Deferred revenue	17,521	369,040
Other current liabilities	5,262,802	915,420
Employees' indemnity paid	(1,684,380)	(1,036,646)
<b>Net cash flows provided by operating activities</b>	<b>14,998,785</b>	<b>39,331,395</b>
<b>Investing activities</b>		
Purchase of property and equipment	(4,133,054)	(31,645,161)
Purchase of intangible assets	(273,832)	(1,018,972)
Proceeds from disposal of property and equipment	37,998	-
Decrease in projects in progress	(7,072,744)	3,711,750
Advances to contractors	(719,749)	(181,430)
Interest received	337,681	988,621
<b>Net cash flows used in investing activities</b>	<b>(11,823,700)</b>	<b>(28,145,192)</b>
<b>Financing activities</b>		
Repayment of loans	(11,875,000)	(85,000,000)
Long term loans received	-	50,000,000
Loan transaction costs paid	-	(25,775)
Interest paid	(1,815,487)	(3,878,272)
Principal elements of lease payments	(2,787,604)	-
Increase in the paid in the paid capital	-	27,000,000
Restricted cash	1,904,804	3,047,504
<b>Net cash flows (used in) provided by financing activities</b>	<b>(14,573,287)</b>	<b>(8,856,543)</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(11,398,202)</b>	<b>2,329,660</b>
Cash and cash equivalents, beginning of the year	27,937,624	33,758,276
<b>Cash and cash equivalents, end of the period</b>	<b>16,539,422</b>	<b>36,087,936</b>