

WATANIYA PALESTINE MOBILE
TELECOMMUNICATION, Public Shareholding Company (Ooredoo Palestine)
Unaudited condensed interim financial statements for the nine months ended
September 30, 2020
(All amounts expressed in US Dollar unless otherwise stated)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	As at	
	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Non-current assets		
Property and equipment	70,258,048	69,381,072
Projects in progress	796,617	6,063,468
Right of use assets	6,738,395	8,736,392
Intangible assets	106,006,924	111,946,255
Total non-current assets	183,799,984	196,127,187
Current assets		
Inventories	1,943,356	2,211,100
Other current assets	3,578,632	3,329,457
Trade receivable	13,591,524	11,015,796
Cash on hand and at banks	26,245,709	25,222,593
Total current assets	45,359,221	41,778,946
Total assets	229,159,205	237,906,133
EQUITY AND LIABILITIES		
Equity		
Paid-in capital	293,000,000	293,000,000
Share premium	11,610,000	11,610,000
Accumulated losses	(202,648,992)	(208,566,096)
Total equity	101,961,008	96,043,904
Liabilities		
Non-current liabilities		
Long-term loans	16,875,000	31,875,000
Lease Liability	5,279,139	5,481,682
Provision for employees' benefits	6,812,166	6,871,235
Other provision	44,871,337	44,871,337
Total non-current liabilities	73,837,642	89,099,254
Current liabilities		
Other current liabilities	25,190,081	24,789,730
Accounts payable	12,340,445	8,069,532
Accrued project costs	3,118,618	4,850,409
Deferred revenues	4,522,285	5,088,448
Credit facilities and current portion of long-term loans	6,486,550	6,250,000
Lease Liability	1,702,576	3,714,856
Total current liabilities	53,360,555	52,762,975
Total liabilities	127,198,197	141,862,229
Total equity and liabilities	229,159,205	237,906,133

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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

	For the three months period ended September 30,		For the nine months period ended September 30,	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Revenue	26,131,212	26,056,687	75,210,937	72,895,508
Cost of service	(10,993,803)	(11,793,398)	(32,229,752)	(34,000,574)
Gross Profit	15,137,409	14,263,289	42,981,185	38,894,934
General and administrative expenses	(5,870,991)	(6,616,024)	(17,439,908)	(18,057,660)
Depreciation and amortization	(6,285,136)	(6,543,786)	(18,403,193)	(19,839,196)
(Provision)/recovery for impairment of trade receivables	-	(28,758)	(766,914)	30,591
Currency exchange gain	5,118	16,918	7,789	140,996
Other income	2,557	-	374,744	-
Operating profit	2,988,957	1,091,639	6,753,703	1,169,665
Finance cost	(410,925)	(658,262)	(1,325,912)	(2,246,885)
Finance income	196,778	104,924	489,313	366,736
Profit (loss) for the period	2,774,810	538,301	5,917,104	(710,484)
Basic and diluted earnings (losses) per share for the period	0.0095	0.0018	0.0202	(0.0024)

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the three months period ended September 30,		For the nine months period ended September 30,	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Profit (loss) for the period	2,774,810	538,301	5,917,104	(710,484)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income (loss) for the period	2,774,810	538,301	5,917,104	(710,484)

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Paid-in share capital	Share premium	Accumulated losses	Total Equity
Balance at January 1, 2019	293,000,000	11,610,000	(208,470,697)	96,139,303
Change in accounting policy (see note 16)	-	-	(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	-	-	(710,484)	(710,484)
Balance at September 30, 2019	293,000,000	11,610,000	(210,399,697)	94,210,303
Balance at January 1, 2020	293,000,000	11,610,000	(208,566,096)	96,043,904
Profit for the period	-	-	5,917,104	5,917,104
Balance at September 30, 2020	293,000,000	11,610,000	(202,648,992)	101,961,008

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CONDENSED INTERIM STATEMENT OF CASH FLOWS

	For the nine months ended September 30	
	2020 (Unaudited)	2019 (Unaudited)
Operating activities		
Profit (Loss) for the period	5,917,104	(710,484)
Adjustments:		
Property and equipment depreciation	9,302,154	10,533,004
Right of use assets depreciation	1,559,240	1,685,818
Amortization	7,541,802	7,620,372
Provision for employees' indemnity	851,653	1,710,492
Provision (Recovery) for trade receivable impairment	766,914	(30,591)
Finance income	(489,313)	(366,736)
Interest on loans and borrowings	980,642	1,815,487
Lease contracts interest in accordance IFRS 16	345,270	431,398
Loss of assets classified as held for disposal	86,354	129,252
Non-cash items	(328,791)	-
Gain on disposal of property and equipment and intangible assets	(366)	(37,998)
	26,532,663	22,780,014
Changes in operating assets and liabilities:		
Inventories	267,744	1,005,170
Other current assets	(228,019)	(1,171,238)
Trade receivable	(3,342,642)	(131,513)
Other current liabilities	555,969	5,340,301
Accounts payable	4,270,913	(11,876,839)
Deferred revenues	(566,163)	17,521
Net cash flows provided by operating activities before payments of employees' benefits	27,490,465	15,963,416
payments of employees' benefits	(956,675)	(1,684,380)
Net cash flows provided by operating activities	26,533,790	14,279,036
Investing activities		
Purchase of property and equipment	(3,902,334)	(4,133,054)
Sale of property and equipment	31,588	37,998
Purchase of intangible assets	-	(273,832)
Projects in progress	(4,461,783)	(7,072,744)
Finance income received	500,381	337,681
Net cash flows (used in) investing activities	(7,832,148)	(11,103,951)
Financing activities		
Repayment of loans	(15,000,000)	(11,875,000)
Credit facilities	236,550	-
Principal elements of lease payments	(1,778,816)	(2,787,604)
Interest paid	(1,136,260)	(1,815,487)
Net cash flows (used in) financing activities	(17,678,526)	(16,478,091)
Net increase/decrease in cash on hand and at banks	1,023,116	(13,303,006)
Cash on hand and at banks, beginning of the period	25,222,593	30,198,146
Cash on hand and at banks, end of the period	26,245,709	16,895,140