

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY
 Financial Statements for the year ended December 31, 2018

STATEMENT OF FINANCIAL POSITION

(All amounts are in US Dollar)

	As at	
	December 31, 2018	December 31, 2017
ASSETS		
Non-current assets		
Property and equipment	77,605,905	56,981,253
Intangible assets	121,189,166	131,316,610
Projects in progress	3,659,553	30,534,192
Total non-current assets	202,454,624	218,832,055
Current assets		
Advances to suppliers	505,686	447,520
Restricted cash	2,260,522	6,041,514
Other current assets	2,561,309	4,046,513
Inventory	2,688,938	4,230,008
Accounts receivable	13,152,700	12,272,509
Cash in hand and at banks	27,937,624	33,758,276
Total current assets	49,106,779	60,796,340
Total assets	251,561,403	279,628,395
EQUITY AND LIABILITIES		
Equity		
Share capital	293,000,000	258,000,000
Share premium	11,610,000	11,610,000
Advance payments on capital	-	8,000,000
Accumulated losses	(208,470,697)	(208,090,504)
Net equity	96,139,303	69,519,496
Liabilities		
Non-current liabilities		
Provision for employees' indemnity	6,723,380	6,395,159
Interest-bearing loans and borrowings	47,500,000	74,038,352
Other non-current liability	44,871,337	54,346,654
Total non-current liabilities	99,094,717	134,780,165
Current liabilities		
Accounts payable	21,189,650	6,222,226
Current portion of interest-bearing loans and borrowings	2,500,000	10,620,000
Due to related parties	145,755	252,856
Deferred revenues	4,591,660	3,684,628
Other current liabilities	17,188,930	17,766,226
Accrued project costs	10,711,388	36,782,798
Total current liabilities	56,327,383	75,328,734
Total liabilities	155,422,100	210,108,899
Total equity and liabilities	251,561,403	279,628,395

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Financial Statements for the year ended December 31, 2018

STATEMENT OF PROFIT OR LOSS

(All amounts are in US Dollar)

	For the year ended December 31,	
	2018	2017
Revenue	100,419,675	85,642,733
Cost of services	(40,741,473)	(35,969,598)
Gross Profit	59,678,202	49,673,135
Finance revenue	1,287,687	390,172
Currency exchange (loss) gain	(21,585)	34,008
General and administrative expenses	(33,724,591)	(31,256,041)
Depreciation and amortization	(24,294,746)	(21,447,079)
Finance costs	(2,947,767)	(4,334,445)
Recovery of impairment of accounts receivable	123,274	294,630
	(59,577,728)	(56,318,755)
Profit (Loss) for the year	100,474	(6,645,620)
Basic and diluted profit (loss) per share	0.0004	(0.0258)

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STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in US Dollar)

	For the year ended December 31,	
	2018	2017
Profit (Loss) for the year	100,474	(6,645,620)
Other comprehensive income for the year	-	-
Total comprehensive income (loss) for the year	100,474	(6,645,620)

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Financial Statements for the year ended December 31, 2018

STATEMENT OF CHANGES IN EQUITY

(All amounts are in US Dollar)

	Paid-in share capital	Share premium	Advance payments on capital	Accumulated losses	Net equity
Balance at January 1, 2017	258,000,000	11,610,000	-	(201,444,884)	68,165,116
Total comprehensive loss for the year	-	-	-	(6,645,620)	(6,645,620)
Advance payments on capital	-	-	8,000,000	-	8,000,000
Balance at December 31, 2017	258,000,000	11,610,000	8,000,000	(208,090,504)	69,519,496
Balance at January 1, 2018 as originally stated	258,000,000	11,610,000	8,000,000	(208,090,504)	69,519,496
Change in accounting policy (see note 28)	-	-	-	(480,667)	(480,667)
Restated total equity as at January 1, 2018	258,000,000	11,610,000	8,000,000	(208,571,171)	69,038,829
Increase in capital	35,000,000	-	-	-	35,000,000
Reclassification of Advance payments on capital	-	-	(8,000,000)	-	(8,000,000)
Profit for the period	-	-	-	100,474	100,474
Balance at December 31, 2018	293,000,000	11,610,000	-	(208,470,697)	96,139,303

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Financial Statements for the year ended December 31, 2018

STATEMENT OF CASH FLOWS

(All amounts are in US Dollar)

	For the year ended December 31,	
	2018	2017
<u>Operating activities</u>		
Profit (Loss) for the year	100,474	(6,645,620)
Adjustments:		
Depreciation	13,590,066	10,313,421
Provision for employees' indemnity	1,783,053	1,865,991
Recovery of impairment of accounts receivable	(123,274)	(294,630)
Loss (Gain) on disposal of property and equipment and intangible assets	2,877	(1,170)
Finance revenues	(1,287,687)	(390,172)
Finance costs	2,947,767	4,334,445
Amortization	10,704,680	11,133,658
Non-cash Items	(480,667)	784,757
	27,237,289	21,100,680
Changes in operational assets and liabilities:		
Accounts receivable	(756,917)	(701,172)
Inventory	1,541,070	(766,473)
Other current assets	1,484,178	(2,200,666)
Accounts payable	14,967,424	(2,906,312)
Due to related parties	(107,101)	75,097
Deferred revenue	907,032	37,553
Other current liabilities	(577,296)	713,405
Transfers to provident fund	(930,469)	(1,391,491)
Employees' indemnity paid	(524,363)	(384,415)
Net cash flows from operating activities	43,240,847	13,576,206
<u>Investing activities</u>		
Purchase of property and equipment	(36,725,811)	(39,874,975)
Proceeds from disposal of property and equipment	3,343,083	51,004
Purchase of intangible assets	(1,412,103)	(3,339,068)
Increase in projects in progress	803,229	23,324,592
Advances to contractors	(58,166)	4,970,354
Interest received	1,288,713	353,304
Net cash flows used in investing activities	(32,761,055)	(14,514,789)
<u>Financing activities</u>		
Repayment of loans	(90,000,000)	(19,500,000)
Long term loans received	50,000,000	40,000,000
Loan transaction costs paid	(21,377)	(623,175)
Interest paid	(7,060,059)	(3,353,270)
Increase in capital	27,000,000	-
Advance payments on capital	-	8,000,000
Restricted cash	3,780,992	(2,090,279)
Net cash flows (used in) from financing activities	(16,300,444)	22,433,276
(Decrease) Increase in cash and cash equivalents	(5,820,652)	21,494,693
Cash and cash equivalents, beginning of the year	33,758,276	12,263,583
Cash and cash equivalents, end of the year	27,937,624	33,758,276