

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF FINANCIAL POSITION As at 31 December

	2019	2018
ASSETS		
Non-current assets		
Property and equipment	69,381,072	77,605,905
Projects in progress	6,063,468	3,659,553
Right of use assets	8,736,392	-
Intangible assets	111,946,255	121,189,166
Total non-current assets	196,127,187	202,454,624
Current assets		
Inventories	2,211,100	2,688,938
Other current assets	3,329,457	3,066,995
Trade receivables	11,015,796	13,152,700
Cash and cash equivalents	25,222,593	30,198,146
Total current assets	41,778,946	49,106,779
Total assets	237,906,133	251,561,403
EQUITY AND LIABILITIES		
EQUITY		
Paid-in capital	293,000,000	293,000,000
Share premium	11,610,000	11,610,000
Accumulated losses	(208,566,096)	(208,470,697)
Total equity	96,043,904	96,139,303
LIABILITIES		
Non-Current liabilities		
Long-term loans	31,875,000	47,500,000
Lease liabilities	5,481,682	-
Provision for employees' benefits	6,871,235	6,569,093
Other provision	44,871,337	44,871,337
Total non-current liabilities	89,099,254	98,940,430
Current liabilities		
Accounts payable	8,069,532	21,189,650
Long term loans mature within one year	6,250,000	2,500,000
Lease liabilities	3,714,856	-
Deferred revenues	5,088,448	4,591,660
Other current liabilities	24,789,730	17,488,972
Accrued project cost	4,850,409	10,711,388
Total current liabilities	52,762,975	56,481,670
Total liabilities	141,862,229	155,422,100
Total equity and liabilities	237,906,133	251,561,403

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER

	2019	2018
Revenues	99,415,166	100,419,675
Cost of services	(45,135,245)	(40,741,473)
Gross profit	54,279,921	59,678,202
General and administrative expenses	(25,763,734)	(33,724,591)
Depreciations and amortisations	(25,321,551)	(24,294,746)
Recovery of provision for impairment of trade receivables	150,852	123,274
	3,345,488	1,782,139
Finance cost	(2,887,435)	(2,947,767)
Interest income	538,467	1,287,687
Gain (Loss) of currency differences	126,597	(21,585)
Profit for the period	1,123,117	100,474
Basic and diluted earnings per share from the period's profit	0.0038	0.0004

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Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME for the years ended 31 December

	2019	2018
Profit for the period	1,123,117	100,474
Other comprehensive income items	-	-
Total comprehensive income for the period	1,123,117	100,474

WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY for the years ended 31 December

	Paid-in share capital	Share premium	Advance payments on capital	Accumulated losses	Total equity
Balance as at 1 January 2018	258,000,000	11,610,000	8,000,000	(208,090,504)	69,519,496
Change in accounting policy (Note 29)	-	-	-	(480,667)	(480,667)
Adjusted balance as at January 1, 2018	258,000,000	11,610,000	8,000,000	(208,571,171)	69,038,829
Increase in share capital	35,000,000	-	(8,000,000)	-	27,000,000
Profit for the period	-	-	-	100,474	100,474
Balance as at 31 December 2018	293,000,000	11,610,000	-	(208,470,697)	96,139,303
Balance as at 1 January 2019	293,000,000	11,610,000	-	(208,470,697)	96,139,303
Change in accounting policy (Note 29)	-	-	-	(1,218,516)	(1,218,516)
Restated total equity as at 1 January 2019	293,000,000	11,610,000	-	(209,689,213)	94,920,787
Profit for the period	-	-	-	1,123,117	1,123,117
Balance as at 31 December 2019	293,000,000	11,610,000	-	(208,566,096)	96,043,904

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Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF CASH FLOWS for the years ended 31 December

	2019	2018
Operating activities		
Profit for the period	1,123,117	100,474
Adjustments for:		
Depreciations	12,867,381	13,573,588
Depreciation of right of use assets	2,297,297	-
Provision for employees' benefits	1,653,383	1,173,796
Recovery of provision for impairment of trade receivables	(150,852)	(123,274)
(Gain) loss on sale of property, equipment and intangible assets	(47,278)	2,877
Interest income	(538,467)	(1,287,687)
Finance costs	2,312,741	2,947,767
Finance cost on Lease liability	574,694	-
Amortisations	10,156,873	10,704,680
Loss of assets classified as held for disposal	267,463	16,478
Non-monetary Items	737,985	(480,667)
	31,254,337	26,628,032
Change in working capital:		
Inventories	477,838	1,541,070
Other current assets and the effect of adoption of IFRS 16	(940,034)	2,093,435
Trade receivables	1,760,590	(756,917)
Accounts payable	(13,120,118)	14,967,424
Deferred revenues	496,788	907,032
Other current liabilities	7,300,758	(1,673,032)
Payments of employees' benefits	(1,562,060)	(524,363)
Net cash from operating activities	25,668,099	43,182,681
Investing activities		
Purchases of property and equipment	(886,048)	(7,904,088)
Proceeds from sale of property, equipment and intangible assets	47,278	3,343,083
Purchase of intangible assets	-	(1,412,103)
Increase in projects in progress	(13,202,819)	(28,018,494)
Interest income received	538,467	1,288,713
Net cash used in investing activities	(13,503,122)	(32,702,889)
Financing activities		
Repayment of syndicated bank loan	(11,875,000)	(90,000,000)
Long term loan received	-	50,000,000
Directs costs related to loans	-	(21,377)
Principal elements of lease payments	(2,952,789)	-
Interests paid	(2,312,741)	(7,060,059)
Increase in share capital	-	27,000,000
Net cash used in financing activities	(17,140,530)	(20,081,436)
Net decrease in cash and cash equivalents	(4,975,553)	(9,601,644)
Cash and cash equivalents, beginning of the year	30,198,146	39,799,790
Cash and cash equivalents, end of the year	25,222,593	30,198,146