

**NATIONAL MOBILE TELECOMMUNICATIONS
COMPANY K.S.C.P. AND SUBSIDIARIES**



**Interim condensed consolidated financial information and
Independent auditor's review report for the period
from 1 January 2020 to 30 September 2020
(Unaudited)**

Index	Page
Independent auditor's report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of financial position (Unaudited)	2
Interim condensed consolidated statement of profit or loss (Unaudited)	3
Interim condensed consolidated statement of comprehensive income (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5
Interim condensed consolidated statement of cash flows (Unaudited)	6
Notes to the interim condensed consolidated financial information (Unaudited)	7 – 16

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF NATIONAL MOBILE TELCOMMUNICATIONS COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Mobile Telecommunications Company K.S.C.P. ("the Parent Company") and subsidiaries (together referred to as "the Group") as at 30 September 2020, and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the accounts of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violation of the Companies Law No. 1 of 2016 and its executive regulations, as amended or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine-month period ended 30 September 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2020 that might have had a material effect on the business of the Parent Company or on its financial position.




Talal Y. Al-Muzaini
Licence No. 209A
Deloitte & Touche
Al-Wazzan & Co.

Interim condensed consolidated statement of financial position (Unaudited)

As at 30 September 2020

		30 September 2020	31 December 2019	30 September 2019
	Note	KD 000's (Unaudited)	KD 000's (Audited)	KD 000's (Unaudited)
ASSETS				
Non-current assets				
Right-of-use asset		120,266	124,307	118,136
Property and equipment		464,070	502,329	497,331
Intangible assets and goodwill		312,994	315,708	316,801
Investment securities		2,163	2,088	2,088
Deferred tax assets		24,626	27,035	26,747
Deferred contract cost and contract assets		5,763	7,517	6,549
Other non-current assets		2,184	2,208	2,270
		<u>932,066</u>	<u>981,192</u>	<u>969,922</u>
Current assets				
Inventories		15,816	27,383	24,499
Deferred contract cost and contract assets		7,217	7,210	177,144
Trade and other receivables		153,632	163,834	7,335
Bank balances and cash	5	98,864	90,459	87,878
		<u>275,529</u>	<u>288,886</u>	<u>296,856</u>
Total assets		<u>1,207,595</u>	<u>1,270,078</u>	<u>1,266,778</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Foreign currency translation reserve		(292,937)	(293,437)	(296,674)
Other reserves	6	242,744	242,669	239,454
Retained earnings		556,607	575,921	572,493
Equity attributable to shareholders of the Company		<u>553,219</u>	<u>571,958</u>	<u>562,078</u>
Non-controlling interests		101,024	104,792	103,773
Total equity		<u>654,243</u>	<u>676,750</u>	<u>665,851</u>
LIABILITIES				
Non-current liabilities				
Long term debts	7	32,710	28,112	32,699
Provision for staff indemnity		12,606	11,916	11,634
Lease liabilities		106,713	110,708	105,423
Contract liabilities		726	955	646
Other non-current liabilities		15,782	15,491	16,175
		<u>168,537</u>	<u>167,182</u>	<u>166,577</u>
Current liabilities				
Lease liabilities		16,310	15,463	12,002
Trade and other payables	8	295,071	273,440	289,087
Deferred income		38,271	42,857	38,146
Income tax payable		8,139	12,412	10,254
Long term debts – current	7	24,931	78,356	81,497
Contract liabilities		2,093	3,618	3,364
		<u>384,815</u>	<u>426,146</u>	<u>434,350</u>
Total liabilities		<u>553,352</u>	<u>593,328</u>	<u>600,927</u>
Total equity and liabilities		<u>1,207,595</u>	<u>1,270,078</u>	<u>1,266,778</u>



Saud Bin Nasser Al Thani
Chairman

The accompanying notes form an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of profit or loss (Unaudited)*For the period from 1 January 2020 to 30 September 2020*

	Note	Three month period ended 30 September		Nine month period ended 30 September	
		2020 KD 000's (Unaudited)	2019 KD 000's (Unaudited)	2020 KD 000's (Unaudited)	2019 KD 000's (Unaudited)
Revenue		147,585	159,669	441,695	470,022
Operating expenses		(61,794)	(65,332)	(186,629)	(191,077)
Selling, general and administrative expenses		(37,676)	(40,082)	(115,225)	(117,107)
Depreciation and amortisation		(35,295)	(38,200)	(109,694)	(108,922)
Finance costs – net	11	(2,160)	(2,845)	(6,503)	(9,011)
Other (expenses) / income – net	12	37	(1,228)	(1,301)	(2,790)
Profit before provision for Directors' remuneration, Taxation related to subsidiaries, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST") and Zakat		10,697	11,982	22,343	41,115
Provision for Directors' remuneration		(156)	(155)	(473)	(470)
Provision for contribution to KFAS, NLST and Zakat	13	(146)	(287)	(516)	(1,100)
Profit before taxation		10,395	11,540	21,354	39,545
Taxation related to subsidiaries		(4,270)	(4,069)	(11,985)	(11,861)
Profit for the period		6,125	7,471	9,369	27,684
<i>Attributable to:</i>					
- Shareholders of the Company		4,206	6,155	5,866	23,479
- Non-controlling interests		1,919	1,316	3,503	4,205
		6,125	7,471	9,369	27,684
Basic and diluted earnings per share (fils)	10	8.39	12.28	11.71	46.85

The accompanying notes form an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of comprehensive income (Unaudited)*For the period from 1 January 2020 to 30 September 2020*

	Three month period ended 30 September		Nine month period ended 30 September	
	2020	2019	2020	2019
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	6,125	7,471	9,369	27,684
Other comprehensive income				
<i>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i>				
Effect of net changes in fair value of equity instruments which are carried at fair value through other comprehensive income	75	(566)	75	(565)
<i>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i>				
Exchange differences arising on translation of foreign operations	6,491	(1,231)	(1,842)	13,436
Total other comprehensive income/ (loss) for the period	6,566	(1,797)	(1,767)	12,871
Total comprehensive income for the period	12,691	5,674	7,602	40,555
<i>Attributable to:</i>				
- Shareholders of the Company	10,310	4,904	6,441	35,432
- Non-controlling interests	2,381	770	1,161	5,123
	12,691	5,674	7,602	40,555

The accompanying notes form an integral part of this interim condensed consolidated financial information



Interim condensed consolidated statement of changes in equity (Unaudited)
For the period from 1 January 2020 to 30 September 2020

	Share capital KD 000's	Treasury shares KD 000's	Foreign currency translation reserve KD 000's	Other reserves KD 000's	Retained earnings KD 000's	Equity attributable to shareholders of the Company KD 000's	Non-controlling interests KD 000's	Total equity KD 000's
Balance at 1 January 2020	50,403	(3,598)	(293,437)	242,669	575,921	571,958	104,792	676,750
Comprehensive income								
Profit for the period	-	-	-	-	5,866	5,866	3,503	9,369
Other comprehensive income/(loss) for the period	-	-	500	75	-	575	(2,342)	(1,767)
Total comprehensive income for the period	-	-	500	75	5,866	6,441	1,161	7,602
Transfer to employee association fund	-	-	-	-	(122)	(122)	(40)	(162)
Dividend (note 9)	-	-	-	-	(25,058)	(25,058)	-	(25,058)
Dividends paid by subsidiaries	-	-	-	-	-	-	(4,889)	(4,889)
Balance at 30 September 2020	50,403	(3,598)	(292,937)	242,744	556,607	553,219	101,024	654,243
Balance at 1 January 2019	50,403	(3,598)	(309,192)	240,019	577,655	555,287	107,219	662,506
Impact on adoption of IFRS 16	-	-	-	-	(3,470)	(3,470)	(1,284)	(4,754)
Restated Balance at 1 January 2019	50,403	(3,598)	(309,192)	240,019	574,185	551,817	105,935	657,752
Comprehensive income								
Profit for the period	-	-	-	-	23,479	23,479	4,205	27,684
Other comprehensive income/(loss) for the period	-	-	12,518	(565)	-	11,953	918	12,871
Total comprehensive income/(loss) for the period	-	-	12,518	(565)	23,479	35,432	5,123	40,555
Transfer to employee association fund	-	-	-	-	(113)	(113)	(37)	(150)
Dividend (note 9)	-	-	-	-	(25,058)	(25,058)	-	(25,058)
Dividends paid by subsidiaries	-	-	-	-	-	-	(7,248)	(7,248)
Balance at 30 September 2019	50,403	(3,598)	(296,674)	239,454	572,493	562,078	103,773	665,851

The accompanying notes form an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of cash flows (Unaudited)*For the period from 1 January 2020 to 30 September 2020*

	Note	Nine month period ended 30 September	
		2020	2019
		KD 000's (Unaudited)	KD 000's (Unaudited)
Cash flows from operating activities			
Profit before taxation		21,354	39,545
Adjustments for:			
Depreciation and amortisation		109,694	108,922
Dividend Income		-	(15)
Finance income	11	(2,069)	(1,272)
Expected credit loss on financial assets		10,514	7,647
(Gain) / loss on sale of property and equipment and intangible assets		(261)	5
Finance costs	11	8,572	10,283
Provision for KFAS, NLST and Zakat	13	516	1,100
Provision for slow moving inventory		1,084	158
Provision for staff indemnity		1,360	1,641
		<u>150,764</u>	<u>168,014</u>
<i>Changes in:</i>			
Deferred contract cost and assets; Trade and other receivables; and other non-current assets		2,330	(12,969)
Inventories		10,630	2,194
Trade and other payables, deferred income, contract liabilities and other non-current liabilities		<u>12,588</u>	<u>1,376</u>
Cash generated from operations		<u>176,312</u>	<u>158,615</u>
Payment of staff indemnity		(692)	(764)
Taxation paid		<u>(13,529)</u>	<u>(19,543)</u>
Net cash generated from operating activities		<u>162,091</u>	<u>138,308</u>
Cash flows from investing activities			
Increase/(decrease) in term deposits		9,439	(9,953)
Purchase of property and equipment		(52,390)	(65,039)
Proceeds from disposal of property and equipment		323	128
Purchase of intangible assets		(3,733)	(4,282)
Dividend income received		-	15
Finance income received		<u>2,069</u>	<u>1,272</u>
Net cash used in investing activities		<u>(44,292)</u>	<u>(77,859)</u>
Cash flows from financing activities			
Finance costs paid		(3,548)	(5,661)
Dividends paid		(24,350)	(24,967)
Dividends paid by subsidiary to non-controlling interest		(4,838)	(7,186)
Payment to employee association fund		(162)	(150)
Net decrease in term debts		(48,431)	(13,128)
Repayment of principal element of lease liability		(16,732)	(19,140)
Repayment of interest element of lease liability		<u>(3,805)</u>	<u>(3,362)</u>
Net cash used in financing activities		<u>(101,866)</u>	<u>(73,594)</u>
Effect of foreign currency translation		<u>1,911</u>	<u>(1,033)</u>
Net change in cash and cash equivalents		<u>17,844</u>	<u>(14,178)</u>
Cash and cash equivalents at beginning of the period		<u>60,416</u>	<u>77,176</u>
Cash and cash equivalents at end of the period	5	<u>78,260</u>	<u>62,998</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2020 to 30 September 2020***1. INCORPORATION AND ACTIVITIES**

National Mobile Telecommunications Company K.S.C.P. ("the Company") is a Kuwaiti shareholding company incorporated by Amiri Decree on 10 October 1997. The Company and its subsidiaries (together referred to as "the Group") are engaged in the following:

- Purchase, supply, installation, management and maintenance of wireless sets and equipment, mobile telephone services, pager system and other telecommunication services;
- Import and export of sets, equipment and instruments necessary for the purposes of the Company;
- Purchase or hiring communication lines and facilities necessary for providing the Company's services in co-ordination with the services provided by the State, but without interference or conflict herewith;
- Purchase of manufacturing concessions directly related to the Company's services from manufacturers or producing them in Kuwait;
- Introduction or management of other services of similar nature and supplementary to telecommunications services with a view to upgrade such services or rendering them integrated;
- Conduct technical research relating to the Company's business in order to improve and upgrade the Company's services in co-operation with competent authorities within Kuwait and abroad;
- Purchase and holding of lands, construction and building of facilities required for achieving the Company's objectives;
- Purchase of all materials and machineries needed to undertake the Company's activities as well as their maintenance in all possible modern methods;
- Use of financial surplus available at the Company by investing the same in portfolios managed by specialised companies and parties as well as authorising the board to undertake the same; and
- The Company may have interest or in any way participate with corporate and organisations which practice similar activities or which may assist it in achieving its objectives in Kuwait or abroad. It may acquire such corporates, or make them subsidiaries.

The Company operates under a licence from the Ministry of Communications, State of Kuwait and also elsewhere through subsidiaries in the Middle East and North Africa (MENA) region and Maldives. The Company's shares are listed on the Boursa Kuwait.

The Company is a subsidiary of Ooredoo International Investment LLC ("The Parent Company"), which in turn is a subsidiary of Ooredoo Q.P.S.C. ("the Ultimate Parent Company"), which is a Qatari shareholding company listed on the Qatar Exchange.

The address of the Company's registered office is Ooredoo Tower, Soor Street, Kuwait City, State of Kuwait, P. O. Box 613, Safat 13007, State of Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 27 October 2020.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the interim condensed consolidated financial information of the Group.

This interim condensed consolidated financial information does not include all of the information required for full annual audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the year ending 31 December 2020.

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2020 to 30 September 2020*

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group, which are effective for annual reporting period starting from 1 January 2020.

Amendments and/or annual improvements to IFRSs which are effective for annual accounting period starting from 1 January 2020 did not have any material impact on the accounting policies, financial position or performance of the Group.

4. JUDGEMENTS AND ESTIMATES

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2019.

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. In light of the rapidly escalating COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the interim condensed consolidated financial information.

The impact of COVID-19 on the business of the Group is still evolving. However, the Group has been reassessing revenues, collections and relevant cash flows using revised assumptions and incorporating down side scenarios. The key areas where the Group has made impact assessment and their conclusions thereon on these interim condensed consolidated financial information are described below.

Impairment of non-financial assets

The Group performed a qualitative assessment for its investment in Cash Generating Units, including goodwill, by comparing the results for the nine months period ended 30 September 2020 against the budget and industry benchmarks. On the basis of this comparison and other risk assessment procedures that it performed, management has concluded that no material adjustments are required in the value in use computations made as at 31 December 2019. Accordingly, the Group believes that there are no impairment indicators or any significant uncertainties around its property, plant and equipment, intangible assets and right-of-use assets and concluded that there is no material impact of COVID-19.

Expected credit losses

The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 September 2020. The Group has updated the forward-looking information based on the best estimate and judgement of Group's assessment of the current economic climate of the respective market in which it operates, its impact on clients by various segments, the resultant significant increase in credit risk and re-estimated the expected credit losses as of 30 September 2020.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all currently available information about future risks and uncertainties. Projections were made covering the Group's future performance, capital and liquidity using revised estimates of cash flows. Though the impact of COVID-19 continues to evolve, the current projections indicate that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, these interim condensed consolidated financial information have been appropriately prepared on a going concern basis.

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2020 to 30 September 2020

5. BANK BALANCES AND CASH

	30 September 2020 KD 000's (Unaudited)	31 December 2019 KD 000's (Audited)	30 September 2019 KD 000's (Unaudited)
Bank balances and cash	41,775	38,392	42,050
Deposits	57,134	52,088	45,848
Total cash and bank balances before expected credit loss	98,909	90,480	87,898
Expected credit loss	(45)	(21)	(20)
Bank balances and cash in the interim condensed consolidated statement of financial position	98,864	90,459	87,878
Less: Deposits with original maturities of three months or more	(20,604)	(30,043)	(24,880)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	78,260	60,416	62,998

The effective interest rate on interest earning deposits ranged from 0.2% to 12.31% per annum (31 December 2019: 1.21% to 12.75% per annum and 30 September 2019: 1.13% to 11.06%).

6. OTHER RESERVES

	Share premium KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Gain on sale of treasury shares KD 000's	Fair value reserve KD 000's	Other reserves KD 000's	Total reserves KD 000's
Balance at 1 January 2020	66,634	32,200	136,303	6,914	(2,794)	3,412	242,669
Other comprehensive income for the period	-	-	-	-	75	-	75
Balance at 30 September 2020	66,634	32,200	136,303	6,914	(2,719)	3,412	242,744
Balance at 1 January 2019	66,634	32,200	133,088	6,914	(2,229)	3,412	240,019
Other comprehensive loss for the period	-	-	-	-	(565)	-	(565)
Balance at 30 September 2019	66,634	32,200	133,088	6,914	(2,794)	3,412	239,454

7. LONG TERM DEBTS

	30 September 2020 KD 000's (Unaudited)	31 December 2019 KD 000's (Audited)	30 September 2019 KD 000's (Unaudited)
Current portion			
Due to local banks	-	36,000	39,000
Due to local banks related to subsidiaries	24,931	42,356	42,497
	24,931	78,356	81,497
Non-current portion			
Due to local banks related to subsidiaries	32,710	28,112	32,699
	32,710	28,112	32,699

Long term debts include the following loans:

Debts amounting to KD 18,346 thousand (31 December 2019 and 30 September 2019: KD 24,326 thousand and KD 25,271 thousand respectively) from banks in Algeria which are secured by fixed assets of Wataniya Telecom Algerie S.P.A. ("WTA"). These are subject to various obligations and financial covenants over the terms of those debts and denominated in Algerian Dinar.

Notes to the interim condensed consolidated financial information (Unaudited)*For the period from 1 January 2020 to 30 September 2020***7. LONG TERM DEBTS (CONTINUED)**

Debts amounting to KD 7,085 thousand (31 December 2019 and 30 September 2019: KD 11,550 thousand and KD 11,603 thousand respectively) from banks in Palestine which are secured by assets of Wataniya Palestine Mobile Telecom Limited ("WPT"). These are denominated in US Dollar.

Unsecured debts of the Company amounting to KD nil (31 December 2019 and 30 September 2019: KD 36,000 thousand and KD 39,000 thousand respectively) from banks in Kuwait which are subject to financial covenants over the terms of those debts. These are denominated in Kuwaiti Dinar.

Unsecured debts of Ooredoo Tunisie S.A. amounting to KD 20,212 thousand (31 December 2019 and 30 September 2019: KD 28,512 thousand and KD 31,216 thousand respectively) from banks in Tunisia which are subject to certain financial covenants to be complied on an annual basis. These are denominated in Tunisian Dinar.

Debts amounting to KD 11,998 thousand (31 December 2019 and 30 September 2019: KD 6,080 thousand and KD 7,106 thousand respectively) from banks in Maldives, secured by fixed deposits of Ooredoo Maldives Private Limited. These are denominated in US Dollar.

8. TRADE AND OTHER PAYABLES

	30 September 2020 KD 000's (Unaudited)	31 December 2019 KD 000's (Audited)	30 September 2019 KD 000's (Unaudited)
Accrued expenses	154,427	164,929	164,308
Trade payables	98,403	64,301	78,607
Other tax payables	9,322	9,497	11,134
Staff payables	10,335	10,339	8,749
Dividends payable	6,920	6,160	6,384
Other payables	15,664	18,214	19,905
	<u>295,071</u>	<u>273,440</u>	<u>289,087</u>

9. DIVIDEND

The Annual General Assembly of the Company held on 10 March 2020, approved the consolidated financial statements of the Group for the year ended 31 December 2019 and the payment of cash dividend of 50 fils per share amounting to KD 25,058 thousand for the year ended 31 December 2019 (2019: cash dividend of 50 fils per share amounting to KD 25,058 thousand for the year ended 31 December 2018) to the Company's equity shareholders existing as at 31 March 2020.

10. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share attributable to shareholders of the Company is calculated as follows:

	Three month period ended 30 September		Nine month period ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Profit for the period attributable to shareholders of the Company (KD 000's)	<u>4,206</u>	<u>6,155</u>	<u>5,866</u>	<u>23,479</u>
Number of shares outstanding:				
Weighted average number of paid up shares (thousands)	504,033	504,033	504,033	504,033
Weighted average number of treasury shares (thousands)	(2,871)	(2,871)	(2,871)	(2,871)
Weighted average number of outstanding shares (thousands)	<u>501,162</u>	<u>501,162</u>	<u>501,162</u>	<u>501,162</u>
Basic and diluted earnings per share attributable to shareholders of the Company (fils)	<u>8.39</u>	<u>12.28</u>	<u>11.71</u>	<u>46.85</u>

There are no potential dilutive shares as at 30 September 2020 (31 December and 30 September 2019: nil).

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2020 to 30 September 2020

11. FINANCE COSTS – NET

	Three month period ended 30 September		Nine month period ended 30 September	
	2020	2019	2020	2019
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance income	569	662	2,069	1,272
Finance costs	(2,729)	(3,507)	(8,572)	(10,283)
	<u>(2,160)</u>	<u>(2,845)</u>	<u>(6,503)</u>	<u>(9,011)</u>

12. OTHER (EXPENSES) / INCOME– NET

	Three month period ended 30 September		Nine month period ended 30 September	
	2020	2019	2020	2019
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Dividend income	-	-	-	15
Exchange loss	473	(630)	(84)	(912)
Other operating expenses	(436)	(598)	(1,217)	(1,893)
	<u>37</u>	<u>(1,228)</u>	<u>(1,301)</u>	<u>(2,790)</u>

13. PROVISION FOR CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three month period ended 30 September		Nine month period ended 30 September	
	2020	2019	2020	2019
	KD 000's	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
KFAS	(47)	(59)	(70)	(250)
NLST	(71)	(132)	(318)	(606)
Zakat	(28)	(96)	(128)	(244)
	<u>(146)</u>	<u>(287)</u>	<u>(516)</u>	<u>(1,100)</u>

14. RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, Ooredoo Q.P.S.C. and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions between the Company and its subsidiaries which are related parties to the Company have been eliminated on consolidation and are not disclosed in this note. Transactions with related parties are as follows:

	30 September 2020	31 December 2019	30 September 2019
	KD 000's	KD 000's	KD 000's
	(Unaudited)	(Audited)	(Unaudited)
a) Balances included in the interim condensed consolidated statement of financial position			
Payable to Ooredoo Group L.L.C.	14,032	11,547	28,520
Payable to Ooredoo IP L.L.C.	2,143	1,254	2,218
Payable to Omani Qatari Telecommunications Company S.A.O.G.	-	6	15
Payable to PT. Indosat Tbk	-	-	2
Receivable from ultimate parent company	589	2,651	1,464
Receivable from Asiacell Communications PJSC	569	358	279
Receivable from PT. Indosat Tbk	12	11	-
Receivable from Omani Qatari Telecommunications Company S.A.O.G.	18	-	-

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2020 to 30 September 2020

14. RELATED PARTY TRANSACTIONS (CONTINUED)

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	KD 000's (Unaudited)	KD 000's (Unaudited)	KD 000's (Unaudited)	KD 000's (Unaudited)
b) Transactions included in the interim condensed consolidated statement of profit or loss within revenue, operating expenses and selling, general and administrative expenses.				
<u>Revenue from:</u>				
Ultimate parent company	865	1,623	3,524	4,495
Asiacell Communications PJSC	(35)	73	123	149
Ooredoo Group L.L.C.	-	-	-	2
Omani Qatari Telecommunications	6	1	8	1
<u>Operating expenses to:</u>				
Ultimate parent company	154	462	597	1,406
Ooredoo Group L.L.C.	-	4,356	-	12,310
Asiacell Communications PJSC	1	12	6	25
Ooredoo IP L.L.C.	-	965	-	2,933
Omani Qatari Telecommunications	38	14	63	25
PT. Indosat Tbk	-	3	2	5
Selling, general and administrative expenses to:				
a) Management fees to Ooredoo Group L.L.C.	3,688	3,440	9,562	10,166
b) Brand license fees to Ooredoo IP L.L.C.	907	951	2,647	2,893
c) Key management compensation:				
Short term benefits	2,406	3,572	5,977	5,271
Termination benefits	237	294	570	457
	2,643	3,866	6,547	5,728

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Fair value measurements recognised in the interim condensed consolidated statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2020 to 30 September 2020

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	Level 2 KD 000's	Total KD 000's
30 September 2020 (Unaudited)		
<i>Investment Securities</i>		
Unlisted equity securities	2,163	2,163
	<u>2,163</u>	<u>2,163</u>
31 December 2019 (Audited)		
<i>Investment Securities</i>		
Unlisted equity securities	2,088	2,088
	<u>2,088</u>	<u>2,088</u>
30 September 2019 (Unaudited)		
<i>Investment Securities</i>		
Unlisted equity securities	2,088	2,088
	<u>2,088</u>	<u>2,088</u>

There are no transfers between levels during the periods ended 30 September 2020 (31 December 2019 and 30 September 2019: there are no transfers between levels).

16. CONTINGENCIES AND COMMITMENTS

	30 September 2020 KD 000's (Unaudited)	31 December 2019 KD 000's (Audited)	30 September 2019 KD 000's (Unaudited)
Capital commitments			
For the acquisition of property and equipment	51,212	44,374	57,829
For the acquisition of Palestinian mobile license	51,821	51,236	51,474
	<u>103,033</u>	<u>95,610</u>	<u>109,303</u>
Contingent liabilities			
Letters of guarantee	3,730	3,681	2,804
Letters of credit	8,597	8,514	9,627
	<u>12,327</u>	<u>12,195</u>	<u>12,431</u>

Litigation and claims:

- A. Additional tax claims amounting to KD 14,705 thousand on Ooredoo Tunisie S.A. for assessment periods 1 January 2013 to 31 December 2017 from tax authorities in Tunisia. Management has responded to this notification and believes that the prospects of these claims being resolved in the Group's favour are good.
- B. Additional tax claims amounting to KD 923 thousand on Wataniya Telecom Algerie S.P.A. (WTA) for assessment periods 1 January 2013 to 31 December 2016 from tax authorities in Algeria.
- C. In October 2019, the Algerian Central Bank claimed an amount of KD 26,566 thousand in respect of certain alleged foreign currency violations by WTA. Currently, WTA's appeal against this claim is in the Court of Cassation.
- D. In October 2019, a third party vendor of WTA obtained an order from the Judicial Authorities of Algeria to block an amount of KD 2,270 thousand from WTA's bank account. WTA appealed to the Court against this.
- E. Algeria Regulatory Authority of the Post and Electronic Communications (ARPC), imposed a fine of KD 320 thousand in respect of non-compliance in 2018 of ARPC rules. WTA's had contested the fine by sending an objection letter to ARPC and has appealed the fine to the State Council against ARPC fine.

Notes to the interim condensed consolidated financial information (Unaudited)

For the period from 1 January 2020 to 30 September 2020

16. CONTINGENCIES AND COMMITMENTS (CONTINUED)

- F. Claims against Ooredoo Maldives PLC amounting to KD 1,331 thousand from the First Instance Civil Court of Maldives citing breach of contract based on a civil case filed by a third party. Ooredoo Maldives PLC has appealed against this claim in the High Court of Maldives in January 2019. Management believes that the prospects of this claim being resolved in the Group's favor are good.
- G. A part of the regulatory tariff levied on mobile telecommunication operators in Kuwait by the Ministry of Communications since 26 July 2011 was invalidated by the Kuwait Court of Cassation in April 2017. Accordingly, the Group has contingent assets in the form of recovery of excess regulatory tariff paid. The Group is currently estimating the recoverable amount which is subject to approval of the judicial authorities.

17. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2019.

Notes to the interim condensed consolidated financial information (Unaudited)
For the period from 1 January 2020 to 30 September 2020

18. SEGMENTAL INFORMATION

The management organises the entity based on different geographical areas, inside and outside Kuwait. Operating segments were identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to its performance. The geographical analysis based on location of revenue, net profit / (loss) and total assets is as follows:

	Inside Kuwait KD 000's	Outside Kuwait					Total KD 000's
		Tunisia KD 000's	Algeria KD 000's	Maldives KD 000's	Others KD 000's	Un-allocated KD 000's	
Nine months ended 30 September 2020 (Unaudited)							
Segment revenues – Point over Time	123,153	86,607	141,709	25,950	22,728	-	400,147
Segment revenues – Point in Time	32,276	8,141	421	344	366	-	41,548
Segment revenues	155,429	94,748	142,130	26,294	23,094	-	441,695
Segment results	(4,222)	8,342	2,433	6,019	1,465	(4,668)	9,369
Nine months ended 30 September 2019 (Unaudited)							
Segment revenues – Point over Time	132,683	85,453	153,633	28,566	22,139	-	422,474
Segment revenues – Point in Time	37,030	6,072	3,688	742	16	-	47,548
Segment revenues	169,713	91,525	157,321	29,308	22,155	-	470,022
Segment results	9,040	10,693	5,340	8,375	(1,231)	(4,533)	27,684
As at 30 September 2020 (Unaudited)							
Segment assets	339,006	174,101	307,559	64,479	70,182	225,479	1,180,806
Investments and other assets	2,163	3,101	20,901	624	-	-	26,789
Total assets	341,169	177,202	328,460	65,103	70,182	225,479	1,207,595
As at 31 December 2019 (Audited)							
Segment assets	364,638	173,383	348,181	60,159	72,579	222,015	1,240,955
Investments and other assets	2,088	2,724	23,780	531	-	-	29,123
Total assets	366,726	176,107	371,961	60,690	72,579	222,015	1,270,078
As at 30 September 2019 (Unaudited)							
Segment assets	364,956	169,440	352,432	58,941	70,810	221,364	1,237,943
Investments and other assets	2,088	2,763	23,428	556	-	-	28,835
Total assets	367,044	172,203	375,860	59,497	70,810	221,364	1,266,778

19. COMPARATIVE FIGURES

Certain prior year amounts have been reclassified to conform to current year classification with no effect on net profit.