

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**

**Condensed consolidated interim financial information (unaudited) and independent  
auditor's review report for the three-month period ended 31 March 2021**

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**National Mobile Telecommunication Company K.S.C.P.  
State of Kuwait**

**Report on review of condensed consolidated interim financial information**

**The Board of Directors**

**Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Mobile Telecommunication Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2021, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month periods then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

**Report on review of other legal and regulatory requirements**

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum of Incorporation and Articles of Association, have occurred during the three month period ended 31 March 2021, that might have had a material effect on the business of the Parent Company or its financial position.

We further report that, during the course of our review, we have not become aware of any material violations during the three month period ended 31 March 2021 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, during the three month period ended 31 March 2021 that might have had a material effect on the business of the Parent Company or on its financial position.



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Khalid E. Al-Shatti  
License No. 175 A  
PricewaterhouseCoopers (Al-Shatti & Co.)

27 April 2021  
Kuwait

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**

**Condensed consolidated interim statement of financial position**  
(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

	Note	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Right-of-use asset		117,811	121,109	129,720
Property and equipment		460,813	481,044	492,623
Intangible assets and goodwill		299,281	313,435	317,783
Investment securities		1,918	1,920	2,088
Deferred tax assets		22,916	23,839	26,685
Deferred contract cost and contract assets		5,691	6,292	6,776
Other non-current assets		2,088	2,166	2,193
		<u>910,518</u>	<u>949,805</u>	<u>977,868</u>
<b>Current assets</b>				
Inventories		13,665	13,007	19,983
Deferred contract cost and contract assets		8,474	7,883	7,527
Trade and other receivables		148,003	146,817	167,257
Bank balances and cash	5	<u>107,702</u>	<u>104,303</u>	<u>86,673</u>
		<u>277,844</u>	<u>272,010</u>	<u>281,440</u>
<b>Total assets</b>		<u><b>1,188,362</b></u>	<u><b>1,221,815</b></u>	<u><b>1,259,308</b></u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Foreign currency translation reserve		(305,611)	(291,733)	(288,758)
Other reserves	6	242,939	242,941	242,669
Retained earnings		<u>547,033</u>	<u>553,691</u>	<u>552,465</u>
<b>Equity attributable to shareholders of the Parent Company</b>		<u><b>531,166</b></u>	<u><b>551,704</b></u>	<u><b>553,181</b></u>
Non-controlling interests		<u>94,169</u>	<u>100,068</u>	<u>102,508</u>
<b>Total equity</b>		<u><b>625,335</b></u>	<u><b>651,772</b></u>	<u><b>655,689</b></u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	7	33,791	33,488	29,447
Provision for staff indemnity		12,559	12,984	11,862
Lease liabilities		104,424	107,846	116,010
Contract liabilities		706	689	859
Other non-current liabilities		<u>17,452</u>	<u>15,644</u>	<u>16,034</u>
		<u>168,932</u>	<u>170,651</u>	<u>174,212</u>
<b>Current liabilities</b>				
Lease liabilities		17,971	17,997	15,816
Trade and other payables	8	297,411	303,571	305,206
Deferred income		37,007	39,473	41,617
Income tax payable		9,141	7,944	9,523
Borrowings	7	30,729	28,536	54,457
Contract liabilities		<u>1,836</u>	<u>1,871</u>	<u>2,788</u>
		<u>394,095</u>	<u>399,392</u>	<u>429,407</u>
<b>Total liabilities</b>		<u><b>563,027</b></u>	<u><b>570,043</b></u>	<u><b>603,619</b></u>
<b>Total equity and liabilities</b>		<u><b>1,188,362</b></u>	<u><b>1,221,815</b></u>	<u><b>1,259,308</b></u>

  
Mohammed Bin Abdullah Al Thani  
Chairman

  
Chairman's Office

The notes on pages 7 to 17 form an integral part of this condensed consolidated interim financial information

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**

**Condensed consolidated interim statement of profit or loss**

*(All amounts in thousands Kuwaiti Dinars unless otherwise stated)*

	Note	Three-month period ended 31 March	
		2021 (Unaudited)	2020 (Unaudited)
Revenue	18	146,045	155,836
Operating expenses		(60,556)	(66,725)
Selling, general and administrative expenses		(38,529)	(40,398)
Depreciation and amortisation		(37,863)	(38,249)
Finance costs - net	11	(1,825)	(2,057)
Other expenses	12	(798)	(692)
<b>Profit before Directors' remuneration, income tax, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST") and Zakat</b>		<b>6,474</b>	<b>7,715</b>
Directors' remuneration		(156)	(161)
Contribution to KFAS, NLST and Zakat	13	(32)	(211)
<b>Profit before income tax</b>		<b>6,286</b>	<b>7,343</b>
Income tax		(4,440)	(4,698)
<b>Profit for the period</b>		<b>1,846</b>	<b>2,645</b>
<i>Attributable to:</i>			
Shareholders of the Parent Company		983	1,724
Non-controlling interests		863	921
		<b>1,846</b>	<b>2,645</b>
<b>Basic and diluted earnings per share (fils)</b>	10	<b>1.96</b>	<b>3.44</b>

The notes on pages 7 to 17 form an integral part of this condensed consolidated interim financial information

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**

**Condensed consolidated interim statement of comprehensive income**

*(All amounts in thousands Kuwaiti Dinars unless otherwise stated)*

	<b>Three-month period ended 31</b>	
	<b>March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>1,846</b>	<b>2,645</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to the condensed consolidated interim 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	(2)	-
<i>Items that are or may be reclassified subsequently to the condensed consolidated interim statement of profit or loss</i>		
Exchange differences arising on translation of foreign operations	(16,279)	5,290
<b>Total other comprehensive (loss)/income for the period</b>	<b>(16,281)</b>	<b>5,290</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(14,435)</b>	<b>7,935</b>
Attributable to:		
Shareholders of the Parent Company	(12,897)	6,403
Non-controlling interests	(1,538)	1,532
	<b>(14,435)</b>	<b>7,935</b>

The notes on pages 7 to 17 form an integral part of this condensed consolidated interim financial information

National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

Condensed consolidated interim statement of changes in equity  
(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

	Share capital	Treasury shares	Foreign Currency translation reserve	Other reserves	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-Controlling interests	Total equity
<b>Balance at 1 January 2021</b>	50,403	(3,598)	(291,733)	242,941	553,691	551,704	100,068	651,772
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	983	983	863	1,846
Other comprehensive loss for the period	-	-	(13,878)	(2)	-	(13,880)	(2,401)	(16,281)
Total comprehensive loss for the period	-	-	(13,878)	(2)	983	(12,897)	(1,538)	(14,435)
Transfer to employee association fund	-	-	-	-	(124)	(124)	(41)	(165)
Dividend (note 9)	-	-	-	-	(7,517)	(7,517)	-	(7,517)
Dividends paid by subsidiary	-	-	-	-	-	-	(4,320)	(4,320)
<b>Balance at 31 March 2021</b>	50,403	(3,598)	(305,611)	242,939	547,033	531,166	94,169	625,335
<b>Balance at 1 January 2020</b>	50,403	(3,598)	(293,437)	242,669	575,921	571,958	104,792	676,750
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	1,724	1,724	921	2,645
Other comprehensive income for the period	-	-	4,679	-	-	4,679	611	5,290
Total comprehensive income for the period	-	-	4,679	-	1,724	6,403	1,532	7,935
Transfer to employee association fund	-	-	-	-	(122)	(122)	(40)	(162)
Dividend (note 9)	-	-	-	-	(25,058)	(25,058)	-	(25,058)
Dividends paid by subsidiary	-	-	-	-	-	-	(3,776)	(3,776)
<b>Balance at 31 March 2020</b>	50,403	(3,598)	(288,758)	242,669	552,465	553,181	102,508	655,689

The notes on pages 7 to 17 form an integral part of this condensed consolidated interim financial information

# National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

## Condensed consolidated interim statement of changes in cash flows

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

	Note	Three-month period ended 31 March	
		2021 (Unaudited)	2020 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before income tax		6,286	7,343
<b>Adjustments for:</b>			
Depreciation and amortisation		37,863	38,249
Finance income	11	(682)	(914)
Expected credit loss on financial assets		1,205	4,500
Gain on disposal of property and equipment and intangible assets		(31)	(25)
Finance costs	11	2,507	2,971
Provision for KFAS, NLST and Zakat	13	32	211
Provision for slow moving inventories		(98)	411
Provision for staff indemnity		478	454
		<u>47,560</u>	<u>53,200</u>
<b>Changes in working capital:</b>			
Trade and other receivables		(3,576)	(8,029)
Deferred contract cost and contract assets		(10)	397
Other non-current assets		78	15
Inventories		(482)	7,002
Trade and other payables		(9,935)	3,573
Deferred income		(2,466)	(1,240)
Contract liabilities		(18)	(926)
Other non-current liabilities		1,808	543
<b>Cash generated from operations</b>		<u>32,959</u>	<u>54,535</u>
Payment of staff indemnity		(890)	(582)
Taxation paid		(2,543)	(6,709)
<b>Cash generated from operating activities</b>		<u>29,526</u>	<u>47,244</u>
<b>Cash flows from investing activities</b>			
Decrease in term deposits		1,774	15,573
Purchase of property and equipment		(14,928)	(18,147)
Proceeds from disposal of property and equipment		58	38
Acquisition of intangible assets		(1,856)	(1,088)
Finance income received		682	914
<b>Net cash used in investing activities</b>		<u>(14,270)</u>	<u>(2,710)</u>
<b>Cash flows from financing activities</b>			
Finance costs paid		(856)	(1,298)
Dividends paid		(7,456)	(106)
Dividends paid by subsidiary to non-controlling interest		(641)	(745)
Payment to employee association fund		(165)	(162)
Proceeds from borrowings		17,501	26,071
Repayment of borrowings		(13,865)	(49,517)
Repayment of principal and interest element of lease liability		(6,785)	(7,268)
<b>Net cash used in financing activities</b>		<u>(12,267)</u>	<u>(33,025)</u>
<b>Effect of foreign currency translation</b>		<u>2,184</u>	<u>278</u>
<b>Net change in cash and cash equivalents</b>		<u>5,173</u>	<u>11,787</u>
Cash and cash equivalents at beginning of the period		85,533	60,416
<b>Cash and cash equivalents at end of the period</b>	5	<u>90,706</u>	<u>72,203</u>

The notes on pages 7 to 17 form an integral part of this condensed consolidated interim financial information



## National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

### Notes to the condensed consolidated interim financial information

*(All amounts in thousands Kuwaiti Dinars unless otherwise stated)*

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#### 1 INCORPORATION AND ACTIVITIES

National Mobile Telecommunications Company K.S.C.P. ("the Parent Company") is a Kuwaiti shareholding company incorporated by Amiri Decree on 10 October 1997. The Parent 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 Parent Company;
- Purchase or hiring communication lines and facilities necessary for providing the Parent 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 Parent 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 Parent 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 Parent Company's objectives;
- Purchase of all materials and machineries needed to undertake the Parent Company's activities as well as their maintenance in all possible modern methods;
- Use of financial surplus available at the Parent 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 Parent 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 Parent 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 Parent Company's shares are listed on the Boursa Kuwait.

The Parent Company is a subsidiary of Ooredoo International Investment LLC, 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 Parent Company's registered office is Ooredoo Tower, Soor Street, Kuwait City, State of Kuwait, PO. Box 613, Safat 13007, State of Kuwait.

This condensed consolidated interim financial information was approved for issue by the Board of Directors of the Parent Company on 27 April 2021.

**Notes to the condensed consolidated interim financial information**

*(All amounts in thousands Kuwaiti Dinars unless otherwise stated)*

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**2 BASIS OF PREPARATION**

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the three-month period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Group.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020, 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 2021.

Amendments and/or annual improvements to IFRSs which are effective for annual accounting period starting from 1 January 2021 did not have any material impact on the accounting policies, financial position or performance of the Group.

**4 JUDGEMENTS AND ESTIMATES**

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2020.

*Impact of COVID 19*

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. The economic fallout of COVID -19 crisis is expected to be significant in the region the Group operates and is rapidly evolving. The Group is continuously monitoring the indirect impact of the Pandemic on the business, operations and its finances due to partial lockdown and travel restrictions.

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**

**Notes to the condensed consolidated interim financial information**

*(All amounts in thousands Kuwaiti Dinars unless otherwise stated)*

**4 JUDGEMENTS AND ESTIMATES (continued)**

*Impact of COVID 19 (continued)*

The Group is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the business disruption resulted from COVID-19 outbreak in order to boost the liquidity and sustain the business. Further, the Group has prepared financial forecasts for the twelve months from the date of approval of this condensed consolidated interim financial information, taking into consideration the estimation of the continued business impacts of COVID-19.

**5 BANK BALANCES AND CASH**

	<b>31 March 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>	<b>31 March 2020 (Unaudited)</b>
Bank balances and cash	<b>47,403</b>	51,088	42,532
Deposits	<b>60,327</b>	53,260	44,154
Expected credit loss	<b>(28)</b>	(45)	(13)
	<b>107,702</b>	104,303	86,673
Less: Deposits with original maturities of three months or more	<b>(16,996)</b>	(18,770)	(14,470)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	<b>90,706</b>	85,533	72,203

The effective interest rate on interest earning deposits ranged from 0.20% to 7.23% per annum (31 December 2020: 0.52% to 12.31% per annum and 31 March 2020: 0.20% to 12.31%).

**National Mobile Telecommunications Company K.S.C.P. and Subsidiaries**

**Notes to the condensed consolidated interim financial information**  
(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

**6 OTHER RESERVES**

	Share Premium	Statutory reserve	General reserve	Gain on sale of treasury shares	Fair value reserve	Other reserves	Total reserves
<b>Balance at 1 January 2021</b>	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941
Other comprehensive loss for the period	-	-	-	-	(2)	-	(2)
<b>Balance at 31 March 2021</b>	<u>66,634</u>	<u>32,200</u>	<u>136,743</u>	<u>6,914</u>	<u>(2,964)</u>	<u>3,412</u>	<u>242,939</u>
<b>Balance at 1 January 2020</b>	66,634	32,200	136,303	6,914	(2,794)	3,412	242,669
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<u>66,634</u>	<u>32,200</u>	<u>136,303</u>	<u>6,914</u>	<u>(2,794)</u>	<u>3,412</u>	<u>242,669</u>

## National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

### Notes to the condensed consolidated interim financial information

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

#### 7 BORROWINGS

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
<b>Current portion</b>			
Due to local banks	15,000	12,000	14,000
Due to local banks related to subsidiaries	15,729	16,536	40,457
	<u>30,729</u>	<u>28,536</u>	<u>54,457</u>
<b>Non-current portion</b>			
Due to local banks related to subsidiaries	<u>33,791</u>	<u>33,488</u>	<u>29,447</u>

Unsecured debts amounting to KD 17,730 thousand (31 December and 31 March 2020: KD 15,202 thousand and KD 22,254 thousand respectively) are due to banks in Algeria. ("WTA"). These are subject to various obligations and financial covenants over the terms of those debts and denominated in Algerian Dinar.

Debts amounting to KD 6,427 thousand (31 December and 31 March 2020: KD 7,035 thousand and KD 7,252 thousand respectively) are due to banks in Palestine which are secured by fixed assets of Wataniya Palestine Mobile Telecom Limited ("WPT"). These are denominated in US Dollar.

Unsecured debts of the Parent Company amounting to KD 15,000 thousand (31 December and 31 March 2020: KD 12,000 thousand and KD 14,000 respectively) are due to 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 12,988 thousand (31 December and 31 March 2020: KD 17,093 thousand and KD 26,181 thousand respectively) are due to 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 12,375 thousand (31 December and 31 March 2020: KD 10,694 thousand and KD 14,217 thousand respectively) are due to banks in Maldives, secured by fixed deposits of Ooredoo Maldives Private Limited. These are denominated in US Dollar.

#### 8 TRADE AND OTHER PAYABLES

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Accrued expenses	163,417	171,462	153,284
Trade payables	88,060	90,555	84,556
Other tax payables	9,211	9,692	9,011
Staff payables	10,880	10,558	7,286
Dividends payable	10,422	6,682	34,144
Other payables	15,421	14,622	16,925
	<u>297,411</u>	<u>303,571</u>	<u>305,206</u>

## National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

### Notes to the condensed consolidated interim financial information

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

#### 9 DIVIDEND

The Annual General Assembly of the Parent Company held on 1 March 2021, approved the consolidated financial statements of the Group for the year ended 31 December 2020 and the payment of cash dividend of 15 fils per share amounting to KD 7,517 thousand for the year ended 31 December 2020 (2020: cash dividend of 50 fils per share amounting to KD 25,058 thousand for the year ended 31 December 2019) to the Parent Company's equity shareholders existing as at 28 March 2021.

#### 10 BASIC AND DILUTED EARNINGS PER SHARE

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

	<b>Three-month period ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period attributable to shareholders of the Parent Company (KD 000's)	<u>983</u>	<u>1,724</u>
Number of shares outstanding:		
Weighted average number of paid up shares (thousands)	<u>504,033</u>	<u>504,033</u>
Weighted average number of treasury shares (thousands)	<u>(2,871)</u>	<u>(2,871)</u>
Weighted average number of outstanding shares (thousands)	<u>501,162</u>	<u>501,162</u>
Basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	<u>1.96</u>	<u>3.44</u>

There are no potential dilutive shares as at 31 March 2021 (31 March 2020: nil)

#### 11 FINANCE COSTS - NET

	<b>Three-month period ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Finance income	682	914
Finance costs	<u>(2,507)</u>	<u>(2,971)</u>
	<u>(1,825)</u>	<u>(2,057)</u>

#### 12 OTHER EXPENSES

	<b>Three-month period ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Exchange loss	(254)	(287)
Other operating expense	<u>(544)</u>	<u>(405)</u>
	<u>(798)</u>	<u>(692)</u>

# National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

## Notes to the condensed consolidated interim financial information

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

### 13 CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three-month period ended 31 March	
	2021 (Unaudited)	2020 (Unaudited)
KFAS	(12)	(20)
NLST	(14)	(136)
Zakat	(6)	(55)
	<b>(32)</b>	<b>(211)</b>

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

#### (a) Balances included in the condensed consolidated interim statement of financial position

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Payable to Ooredoo Group L.L.C.	<b>13,072</b>	11,889	15,001
Payable to Ooredoo IP L.L.C	<b>2,393</b>	1,553	2,266
Payable to Omani Qatari Telecommunications Company S.A.O.G.	<b>52</b>	-	-
Receivable from ultimate parent company	<b>787</b>	1,019	1,120
Receivable from Asiacell Communications PJSC	<b>566</b>	577	497
Receivable from PT. Indosat Tbk	<b>12</b>	12	11
Receivable from Omani Qatari Telecommunications Company S.A.O.G.	-	7	2

#### (b) Transactions included in the condensed consolidated interim statement of profit or loss

	Three-month period ended 31 March	
	2021 (Unaudited)	2020 (Unaudited)
<b>Revenue from:</b>		
Ultimate parent company	<b>1,444</b>	772
Asiacell Communications PJSC	-	157
Omani Qatari Telecommunications Company S.A.O.G.	-	2
<b>Operating expenses to:</b>		
Ultimate parent company	<b>194</b>	314
Ooredoo Group L.L.C.	-	12
Asiacell Communications PJSC	-	5
Omani Qatari Telecommunications Company S.A.O.G	<b>49</b>	23
PT. Indosat Tbk	-	2

## National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

### Notes to the condensed consolidated interim financial information

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

#### 14 RELATED PARTY TRANSACTIONS (continued)

	Three-month period ended 31 March	
	2021 (Unaudited)	2020 (Unaudited)
<b>Selling, general and administrative expenses to:</b>		
a) Management fees to Ooredoo Group L.L.C.	3,139	3,351
b) Brand license fees to Ooredoo IP L.L.C.	864	961
c) Key management compensation:		
Short term benefits	1,828	1,911
Termination benefits	152	181
	<u>1,980</u>	<u>2,092</u>

#### 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 condensed consolidated interim 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).



# National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

## Notes to the condensed consolidated interim financial information

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

### 15 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Level 2	Total
<b>31 March 2021 (Unaudited)</b>		
<i>Investment Securities</i>		
Unlisted equity securities	<b>1,918</b>	<b>1,918</b>
	<b>1,918</b>	<b>1,918</b>
<b>31 December 2020 (Audited)</b>		
<i>Investment Securities</i>		
Unlisted equity securities	1,920	1,920
	1,920	1,920
<b>31 March 2020 (Unaudited)</b>		
<i>Investment Securities</i>		
Unlisted equity securities	2,088	2,088
	2,088	2,088

There were no transfers between levels during the periods ended 31 March 2021 (31 December 2020 and 31 March 2020: there are no transfers between levels).

The carrying values of other financial assets and liabilities approximates their fair values.

### 16 CONTINGENCIES AND COMMITMENTS

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
<b>Capital commitments</b>			
For the acquisition of property and equipment	35,371	32,181	51,330
For the acquisition of Palestinian mobile license	51,149	51,452	53,039
	<b>86,520</b>	<b>83,633</b>	<b>104,369</b>
<b>Contingent liabilities</b>			
Letters of guarantee	3,745	3,893	4,599
Letters of credit	7,592	8,006	8,905
	<b>11,337</b>	<b>11,899</b>	<b>13,504</b>

#### Litigation and claims:

- Additional tax claims amounting to KD 14,346 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.
- Additional tax claims amounting to KD 879 thousand on Wataniya Telecom Algeria S.P.A. (WT A) for assessment periods 1 January 2013 to 31 December 2016 from tax authorities in Algeria.

## National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

### Notes to the condensed consolidated interim financial information

*(All amounts in thousands Kuwaiti Dinars unless otherwise stated)*

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#### 16 CONTINGENCIES AND COMMITMENTS (continued)

- (c) In October 2019, the Algerian Central Bank claimed an amount of KD 25,297 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 2,162 thousand from WTA's bank account. WTA appealed to the Court against this.
- (e) Algeria Regulatory Authority of the Post and Electronic Communications (ARPCE), imposed a fine of KD 305 thousand in respect of non-compliance in 2018 of ARPCE rules. WTA's had contested the fine by sending an objection letter to ARPCE and has appealed the fine to the State Council against ARPCE fine.
- (f) Claims against Ooredoo Maldives PLC amounting to KD 1,314 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 2020.

# National Mobile Telecommunications Company K.S.C.P. and Subsidiaries

## Notes to the condensed consolidated interim financial information (All amounts in thousands Kuwaiti Dinars unless otherwise stated)

### 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	Tunisia	Algeria	Maldives	Others	Un-allocated	Total
<b>Three months ended 31 March 2021</b>							
<b>(Unaudited)</b>							
Segment revenues - Over time	39,044	29,387	45,770	8,664	8,148	-	131,013
Segment revenues – At a point in time	11,418	3,359	28	114	113	-	15,032
Segment revenues	50,462	32,746	45,798	8,778	8,261	-	146,045
Segment results	(1,703)	3,417	(1,179)	2,401	491	(1,581)	1,846
Depreciation and amortisation	(11,447)	(6,303)	(15,256)	(1,425)	(1,851)	(1,581)	(37,863)
<b>Three months ended 31 March 2020</b>							
<b>(Unaudited)</b>							
Segment revenues - Over time	42,314	29,216	49,809	10,579	7,722	-	139,640
Segment revenues – At a point in time	12,800	2,924	132	191	149	-	16,196
Segment revenues	55,114	32,140	49,941	10,770	7,871	-	155,836
Segment results	(1,690)	2,486	148	3,166	83	(1,548)	2,645
Depreciation and amortisation	(10,517)	(7,112)	(15,834)	(1,328)	(1,910)	(1,548)	(38,249)
<b>As at 31 March 2021 (Unaudited)</b>							
Segment assets	330,418	177,504	292,870	67,365	70,509	224,862	1,163,528
Investments and other assets	1,918	3,617	18,048	1,035	216	-	24,834
Total assets	332,336	181,121	310,918	68,400	70,725	224,862	1,188,362
<b>As at 31 December 2020 (Audited)</b>							
Segment assets	333,457	181,288	311,211	65,784	69,704	234,612	1,196,056
Investments and other assets	1,920	3,120	19,471	1,036	212	-	25,759
Total assets	335,377	184,408	330,682	66,820	69,916	234,612	1,221,815
<b>As at 31 March 2020 (Unaudited)</b>							
Segment assets	361,828	177,344	331,089	63,950	71,456	224,868	1,230,535
Investments and other assets	2,088	2,819	23,300	566	-	-	28,773
Total assets	363,916	180,163	354,389	64,516	71,456	224,868	1,259,308