

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

Condensed consolidated interim financial information (unaudited)
and independent auditor's review report
for the six-month period ended 30 June 2022

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

Condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

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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 (the "Group") as at 30 June 2022, and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and changes in equity and cash flows for the six-month period 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 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 six-month period ended 30 June 2022, 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 six-month period ended 30 June 2022 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, during the six-month period ended 30 June 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

Khalid Ebrahim Al-Shatti
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26 July 2022
Kuwait

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

Condensed consolidated interim financial information

for the six-month period ended 30 June 2022

(All amounts are expressed in Kuwaiti Dinar unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021* (Unaudited) KD'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	407,681	434,978	447,431
Intangible assets and goodwill	6	264,190	282,835	296,090
Right-of-use assets	7	111,582	114,545	113,277
Financial assets – equity instruments		1,600	1,600	1,920
Deferred tax assets		23,125	25,189	23,853
Contract costs		1,511	1,794	2,354
Other non-current assets		8,081	7,203	4,733
Total non-current assets		817,770	868,144	889,658
Current assets				
Inventories		18,216	11,927	12,862
Contract costs		4,893	4,543	4,083
Trade and other receivables		173,024	162,493	162,377
Bank balances and cash	8	109,971	124,411	105,631
Total current assets		306,104	303,374	284,953
Total assets		1,123,874	1,171,518	1,174,611
EQUITY AND LIABILITIES				
EQUITY				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Translation reserve		(333,719)	(315,975)	(306,480)
Other reserves	9	244,656	244,656	242,941
Retained earnings		566,411	563,265	553,015
Equity attributable to shareholders of the parent		524,153	538,751	536,281
Non-controlling interests		88,874	93,988	92,940
Total equity		613,027	632,739	629,221
LIABILITIES				
Non-current liabilities				
Loans and borrowings	10	10,639	12,696	27,849
Employees' benefits		12,666	12,648	12,266
Lease liabilities	11	96,183	100,710	99,968
Other non-current liabilities		25,924	18,577	18,415
Contract liabilities		769	828	755
Total non-current liabilities		146,181	145,459	159,253
Current liabilities				
Trade and other payables	12	280,813	309,042	294,206
Deferred income		34,269	34,254	34,972
Loans and borrowings	10	16,796	16,468	27,854
Lease liabilities	11	20,360	20,143	17,733
Income tax payables		9,413	10,551	9,468
Contract liabilities		3,015	2,862	1,904
Total current liabilities		364,666	393,320	386,137
Total liabilities		510,847	538,779	545,390
Total equity and liabilities		1,123,874	1,171,518	1,174,611

*Refer to note 21 for details regarding certain reclassifications

Abdulla Ahmed Al Zaman
Vice Chairman



The accompanying notes from 1 to 21 form an integral part of this condensed consolidated interim financial information

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

Condensed consolidated interim financial information
for the six-month period ended 30 June 2022

(All amounts are expressed in Kuwaiti Dinar unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)*	2022 (Unaudited)	2021 (Unaudited)*
Revenue	13	153,207	148,635	306,083	294,680
Other income		205	(26)	533	32
		153,412	148,609	306,616	294,712
Network, interconnect, and other operating expenses		(76,610)	(76,729)	(154,439)	(154,657)
Employee salaries and associated costs		(18,115)	(16,083)	(35,322)	(32,034)
Management fees expense	17	(4,545)	(4,065)	(9,069)	(8,068)
Depreciation and amortization		(32,800)	(35,234)	(65,693)	(73,097)
Finance costs		(2,080)	(3,083)	(4,209)	(5,590)
Finance income		782	569	1,546	1,251
Impairment losses on financial assets		(1,943)	(1,598)	(3,774)	(2,803)
Other losses - net		(904)	(774)	(1,670)	(1,628)
Profit before directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and income tax,		17,197	11,612	33,986	18,086
Directors' remuneration		(155)	(156)	(316)	(312)
Contribution to KFAS, NLST and Zakat	14	(325)	(203)	(648)	(235)
Profit before income tax		16,717	11,253	33,022	17,539
Income tax		(1,011)	(3,124)	(6,445)	(7,564)
Profit for the period		15,706	8,129	26,577	9,975
<i>Profit attributable to:</i>					
Shareholders of the parent		12,372	5,982	20,801	6,965
Non-controlling interests		3,334	2,147	5,776	3,010
		15,706	8,129	26,577	9,975
Basic and diluted earnings per share (fils)	16	25	12	42	14

*Refer to note 21 for details regarding certain reclassifications

The accompanying notes from 1 to 21 form an integral part of this condensed consolidated interim financial information

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

Condensed consolidated interim financial information

for the six-month period ended 30 June 2022

(All amounts are expressed in Kuwaiti Dinar unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
	KD'000	KD'000	KD'000	KD'000
Profit for the period	15,706	8,129	26,577	9,975
Other comprehensive loss				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(12,356)	(1,311)	(20,782)	(17,590)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net changes in fair value on investments in equity instruments designated as at FVOCI	-	2	-	-
Other comprehensive loss - net of tax	(12,356)	(1,309)	(20,782)	(17,590)
Total comprehensive income/ (loss) for the period	3,350	6,820	5,795	(7,615)
Total comprehensive income/ (loss) attributable to:				
Shareholders of the parent	1,565	5,115	3,057	(7,782)
Non-controlling interests	1,785	1,705	2,738	167
	3,350	6,820	5,795	(7,615)

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

Condensed consolidated interim financial information
for the six-month period ended 30 June 2022

(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the parent				Non – controlling interests	
	Share capital (Unaudited) KD'000	Treasury shares (Unaudited) KD'000	Translation reserve (Unaudited) KD'000	Other reserves (Unaudited) KD'000	Retained earnings (Unaudited) KD'000	Total Equity (Unaudited) KD'000
At 1 January 2022	50,403	(3,598)	(315,975)	244,656	563,265	538,751
Profit for the period	-	-	-	-	20,801	20,801
Other comprehensive loss	-	-	(17,744)	-	-	(17,744)
Total comprehensive income/ (loss) for the period	-	-	(17,744)	-	20,801	3,057
Transactions with shareholders of the parent, recognised directly in equity						
Dividend for 2021 (Note 15)	-	-	-	-	(17,541)	(17,541)
Transactions with non-controlling interests, recognised directly in equity						
Dividend for 2021	-	-	-	-	-	-
Transactions with non-owners of the Group, recognised directly in equity						
Transfer to employee association fund	-	-	-	-	(114)	(114)
At 30 June 2022	50,403	(3,598)	(333,719)	244,656	566,411	524,153
At 1 January 2021	50,403	(3,598)	(291,733)	242,941	553,691	551,704
Profit for the period	-	-	-	-	6,965	6,965
Other comprehensive loss	-	-	(14,747)	-	-	(14,747)
Total comprehensive (loss)/ income for the period	-	-	(14,747)	-	6,965	(7,782)
Transactions with shareholders of the parent, recognised directly in equity						
Dividend for 2020 (Note 15)	-	-	-	-	(7,517)	(7,517)
Transactions with non-controlling interests, recognised directly in equity						
Dividend for 2020	-	-	-	-	-	-
Transactions with non-owners of the Group, recognised directly in equity						
Transfer to employee association fund	-	-	-	-	(124)	(124)
At 30 June 2021	50,403	(3,598)	(306,480)	242,941	553,015	536,281

The accompanying notes from 1 to 21 form an integral part of this condensed consolidated interim financial information

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

Condensed consolidated interim financial information
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Six-month period ended 30 June	
		2022 (Unaudited) KD'000	2021* (Unaudited) KD'000
Cash flows from operating activities			
Profit before income tax		33,022	17,539
Adjustments for:			
Depreciation and amortisation		65,693	73,097
Impairment losses on financial assets		3,774	2,803
(Gain)/loss on disposal of property, plant and equipment		(494)	22
Finance costs		4,209	5,590
Finance income		(1,546)	(1,251)
Provision for KFAS, NLST and Zakat	14	648	235
Provision for slow moving inventory		(115)	(283)
Provision for employees' benefits		1,056	984
Operating profit before working capital changes		106,247	98,736
Working capital changes in:			
Other non-current assets		(878)	296
Inventories		(6,029)	532
Contract costs		(67)	437
Trade and other receivables		(12,854)	(12,864)
Other non-current liabilities		7,347	2,771
Trade and other payables		(33,587)	(13,085)
Deferred income		1,067	(4,501)
Contract liabilities		94	99
Cash generated from operations		61,340	72,421
Employees' benefits paid		(1,072)	(1,598)
Income tax paid		(5,886)	(5,629)
Net cash generated from operating activities		54,382	65,194
Cash flows from investing activities			
(Increase)/ decrease in term deposits		(2,824)	1,510
Acquisition of property, plant and equipment	5	(30,012)	(29,035)
Proceeds from disposal of property, plant and equipment		584	110
Acquisition of intangible assets	6	(1,979)	(2,702)
Interest received		1,546	1,251
Net cash used in investing activities		(32,685)	(28,866)
Cash flows from financing activities			
Finance costs paid		(1,079)	(2,372)
Dividend paid to shareholders of the parent		(17,432)	(7,580)
Dividend paid to non-controlling interests		(3,213)	(3,704)
Payment to employee association fund		(152)	(165)
Proceeds from loans and borrowings		26,069	33,017
Repayments of loans and borrowings		(27,378)	(38,018)
Payments of lease liabilities including interest	11	(14,899)	(13,850)
Net cash used in financing activities		(38,084)	(32,672)
Net (decrease)/increase in cash and cash equivalents		(16,387)	3,656
Effect of exchange rate fluctuations		(877)	(818)
Cash and cash equivalents at the beginning of the year		96,895	85,533
Cash and cash equivalents at the end of the year	8	79,631	88,371

*Refer to note 21 for details regarding certain reclassifications

The accompanying notes from 1 to 21 form an integral part of this condensed consolidated interim financial information

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

Notes to the condensed consolidated interim financial information
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

1. REPORTING ENTITY

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 Group'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 specialized companies and parties as well as authorizing the board to undertake the same; and
- The Company may have interest or in any way participate with corporate and organizations 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 subsidiary.

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

The Company is a subsidiary of Ooredoo International Investments L.L.C., ("the Parent Company"), a subsidiary of Ooredoo Q.P.S.C. ("Ooredoo" or "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 condensed consolidated interim financial information was approved for issue by the Board of Directors of the Company on 26 July 2022.

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).

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

Notes to the condensed consolidated interim financial information
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

Operating results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2021.

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 2021, 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 2022.

Amendments and/or annual improvements to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.

Changes to significant accounting policies

1. New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant & Equipment: proceeds before intended use – Amendments to IAS 16
- Reference to the conceptual framework – Amendments to IFRS 3
- Onerous contracts – cost of fulfilling a contract, amendments to IAS 37
- Annual improvement to IFRS Standards 2018-2020

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

2. Impact of new standards (issued but not yet adopted by the Group)

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretation and amendments which will be adopted in the Group's financial statement as and when they are applicable.

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 2021.

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

Notes to the condensed consolidated interim financial information
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
Net book value at beginning of the period/year	434,978	481,044	481,044
Additions	30,012	74,148	29,035
Disposal	(90)	(217)	(132)
Depreciation charge for the period/year	(47,821)	(105,350)	(53,795)
Impairment	-	(143)	-
Transfers	(156)	(212)	(151)
Currency translation effects	(9,242)	(14,292)	(8,570)
Net book value at the end of the period/year	407,681	434,978	447,431

6. INTANGIBLE ASSETS AND GOODWILL

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
Net book value at beginning of the period/year	282,835	313,435	313,435
Additions	1,979	3,843	2,702
Disposal	-	(2)	-
Amortization charge for the period/year	(6,870)	(15,834)	(8,675)
Transfers	156	(313)	151
Currency translation effects	(13,910)	(18,294)	(11,523)
Net book value at the end of the period/year	264,190	282,835	296,090

The Group determines whether goodwill or intangible assets with indefinite useful lives are impaired, at least on an annual basis unless there are any indicators of impairment. This requires an estimation of the recoverable amount of the CGUs to which these items are allocated. The recoverable amount is determined based on value-in-use calculations or fair value less cost to sell if that is higher.

Goodwill of KD 147,660 thousand (31 December 2021: KD 157,014 thousand and 30 June 2021: KD 161,375 thousand) is allocated to Ooredoo Tunisie S.A. and KD 1,927 thousand (31 December 2021: KD 1,927 thousand and 30 June 2021: KD 1,927 thousand) to Fast Telecommunications Company W.L.L. The recoverable amounts of these CGUs were based on its value in use estimated by discounting the future cash flows to be generated from the continuing use of these CGUs. As at 31 December 2021, the estimated recoverable amounts of Ooredoo Tunisie S.A. and Fast Telecommunications Company W.L.L. were more than the respective carrying values and management believes that no change took place to this assessment as of 30 June 2022.

7. RIGHT-OF-USE ASSETS

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
Net book value at beginning of the period/year	114,545	121,109	121,109
Additions	10,608	20,335	5,260
Reduction on early termination	(581)	(1,501)	(656)
Depreciation charge for the period/year	(11,002)	(22,443)	(10,627)
Currency translation effects	(1,988)	(2,955)	(1,809)
Net book value at the end of the period/year	111,582	114,545	113,277

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

Notes to the condensed consolidated interim financial information
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

8. BANK BALANCES AND CASH

Cash and cash equivalents included in the condensed consolidated interim statement of cash flows comprise the following items:

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
Bank balances and cash	110,057	124,449	105,659
Expected credit loss	(86)	(38)	(28)
Bank balances and cash in the condensed consolidated interim statement of financial position	109,971	124,411	105,631
Less:			
Deposits with maturity of more than three months	(11,128)	(11,726)	(4,914)
Restricted deposits	(19,212)	(15,790)	(12,346)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	79,631	96,895	88,371

Deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest on the respective deposit rates ranging from 1.24% to 3.5% (31 December 2021: 0.19% to 7.29% and 30 June 2021: 0.20% to 7.23%).

9 OTHER RESERVES

	Share premium KD'000	Statutory reserve KD'000	Voluntary reserve KD'000	Gain on sale of treasury shares KD'000	Fair value reserve KD'000	Other reserves KD'000	Total reserves KD'000
At 1 January 2022	66,634	32,200	138,778	6,914	(3,282)	3,412	244,656
Other comprehensive Loss for the period	-	-	-	-	-	-	-
At 30 June 2022	66,634	32,200	138,778	6,914	(3,282)	3,412	244,656
At 1 January 2021	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941
Other comprehensive Loss for the period	-	-	-	-	-	-	-
At 30 June 2021	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941

10 LOANS AND BORROWINGS

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
Current portion			
Due to local banks	6,070	27	13,000
Due to local banks related to subsidiaries	10,726	16,441	14,854
	16,796	16,468	27,854
Non-current portion			
Due to local banks related to subsidiaries	10,639	12,696	27,849

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

Notes to the condensed consolidated interim financial information
for the six-month period ended 30 June 2022
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

10 LOANS AND BORROWINGS (CONTINUED)

The details of loans and borrowings are as follows:

Description	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
a) Unsecured debts 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.	-	4,468	16,740
b) Debts 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.	-	-	1,974
c) Unsecured debts of the Parent Company are due to banks in Kuwait which are subject to financial covenants over the terms of those debts. There are denominated in Kuwaiti Dinar.	6,070	27	13,000
d) Unsecured debts of Ooredoo Tunisie S.A. 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.	5,794	8,758	11,668
e) Debts are due to banks in Maldives, secured by fixed deposits of Ooredoo Maldives Private Limited. These are denominated in US Dollar.	15,571	15,911	12,321
	27,435	29,164	55,703

11 LEASE LIABILITIES

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
At the beginning of the period/year	120,853	125,843	125,843
Additions	10,608	20,335	5,260
Interest expense on lease liabilities	3,095	6,699	3,218
Payment of lease liabilities including interest	(14,899)	(27,338)	(13,850)
Reduction on early termination	(581)	(1,238)	(841)
Exchange adjustments	(2,533)	(3,448)	(1,929)
At the end of the period/year	116,543	120,853	117,701
Non-current portion	96,183	100,710	99,968
Current portion	20,360	20,143	17,733
	116,543	120,853	117,701

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12. TRADE AND OTHER PAYABLES

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
Trade payables	80,848	83,903	85,160
Accrued expenses	148,654	173,932	161,577
Other tax payables	17,126	17,057	17,394
Staff payables	12,509	16,229	9,217
Dividend payables	11,653	6,943	10,168
Other payables	10,023	10,978	10,690
	280,813	309,042	294,206

13. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following revenue streams.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000
Revenue from rendering of services	135,134	133,287	269,263	264,086
Sale of telecommunication equipment	17,884	15,156	36,451	30,187
Others	189	192	369	407
	153,207	148,635	306,083	294,680
At a point in time	17,884	15,156	36,451	30,187
Overtime	135,323	133,479	269,632	264,493
	153,207	148,635	306,083	294,680

14. CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000
KFAS	(124)	(60)	(218)	(72)
NLST	(143)	(102)	(307)	(116)
Zakat	(58)	(41)	(123)	(47)
	(325)	(203)	(648)	(235)

15. DIVIDEND

The Annual General Assembly of the Parent Company held on 16 March 2022, approved the consolidated financial statements of the Group for the year ended 31 December 2021 and the payment of cash dividend of 35 fils per share for the year ended 31 December 2021 (2020: cash dividend of 15 fils per share for the year ended 31 December 2020) to the Parent Company's equity shareholders existing as at 11 April 2022.

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16. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit for the year attributable to shareholders of the parent (KD'000)	12,372	5,982	20,801	6,965
<i>Number of shares outstanding:</i>				
Weighted average number of paid up shares (000's)	504,033	504,033	504,033	504,033
Weighted average number of treasury shares (000's)	(2,871)	(2,871)	(2,871)	(2,871)
Weighted average number of outstanding shares (000's)	501,162	501,162	501,162	501,162
Basic and diluted earnings per share (fils)	25	12	42	14

17. RELATED PARTY DISCLOSURES

Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, 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. Balances and transactions with related parties are as follows:

	30 June 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 June 2021 (Unaudited) KD'000
a) Balances included in the consolidated statement of financial position			
<i>Payable to:</i>			
Ooredoo Group L.L.C – fellow subsidiary	16,180	14,316	13,280
Ooredoo IP L.L.C – fellow subsidiary	2,399	2,035	1,771
Ooredoo Oman – fellow subsidiary	-	54	53
<i>Receivable from:</i>			
Ultimate parent company	685	704	405
Asiacell Communications PJSC - fellow subsidiary	229	536	569
Others – fellow subsidiary	16	13	12

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17 RELATED PARTY DISCLOSURES (CONTINUED)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000
b) Transactions included in the consolidated statement of profit or loss				
<i>Revenue from:</i>				
Ultimate parent company	721	704	1,647	2,148
Others - fellow subsidiary	-	-	-	-
<i>Operating expenses to:</i>				
Ultimate parent company	(933)	125	185	319
Others - fellow subsidiary	-	1	-	50
Management fees to Ooredoo Group L.L.C – fellow subsidiary	3,418	3,190	6,835	6,329
Brand license fees to Ooredoo IP L.L.C - fellow subsidiary	1,127	875	2,234	1,739
	4,545	4,065	9,069	8,068
c) Compensation of key management personnel:				
Short term benefits	1,826	1,744	3,823	3,572
Termination benefits	86	133	231	285
	1,912	1,877	4,054	3,857

During the period, the Group has entered into transactions with related parties on terms approved by the management.

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18 COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS

	30 June 2022 (Unaudited) KD'ooo	31 December 2021 (Audited) KD'ooo	30 June 2021 (Unaudited)
a) Capital commitments			
For the acquisition of property and equipment	33,493	29,888	36,369
For the acquisition of mobile license in a subsidiary*	51,912	51,165	50,929
	85,405	81,053	87,298
b) Contingent liabilities			
Letters of guarantee	5,252	4,903	4,626
Letters of credit	8,888	8,941	7,557
	14,140	13,844	12,183

Litigation and claims:

- * In September 2019, the Minister of Finance and Minister of Telecom and IT (MTIT) issued a letter notifying Ooredoo Palestine to pay the remaining unpaid second and third payment of the license fee. The unpaid portion of the license cost of KD 51,912 thousand represents the unrecognized liability in the condensed consolidated interim financial information resulting from MTIT not fulfilling its obligations in relation with granting the Company access to Gaza and 3G frequencies amongst other things. Management, supported by their external legal advisors, is of the view that Ooredoo Palestine has strong grounds to defend these claims.
- (a) In October 2019, the Algerian Central Bank claimed an amount of KD 21,192 thousand in respect of certain alleged foreign currency violations by WTA. Currently, WTA's appeal against this claim is in the Court of Cassation.
- (b) In October 2019, a third-party vendor of WTA obtained an order from the Judicial Authorities of Algeria to block an amount of KD 1,804 thousand from WTA's bank account. WTA appealed to the Court against this.
- (c) Claims against Ooredoo Maldives PLC amounting to KD 1,334 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 and received a favourable decision on 30 August 2021.
- (d) 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. In April 2022, the second-degree judgement is issued in favour of the Group.

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19 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 2021.

20 SEGMENT INFORMATION

The Group is mainly engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the MENA. Outside of Kuwait, the Group operates through its subsidiaries and major operations are considered by the Group to be reportable segments. Revenue is attributed to reportable segments based on the location of the Group companies. Inter-segment sales are charged at arms' length prices.

For management reporting purposes, the Group is organised into business units based on their geographical area covered. Apart from its operations in Kuwait, the Group also operates through its foreign subsidiaries in Algeria, Tunisia, Maldives and Palestine.

Management monitors the operating results of its operating subsidiaries separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these reportable segments. Transfer pricing between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

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20 SEGMENT INFORMATION (CONTINUED)

Operating segments

The following tables present revenue and profit information regarding the Group's operating segments.

	Inside Kuwait		Outside Kuwait				Total
	Tunisia	Algeria	Maldives	Others	Un-allocated		
Six-month ended: (KD ‘000)							
30 June 2022 (Unaudited)							
Segment revenues	117,002	61,999	90,749	18,814	17,519	-	306,083
Segment profit before tax	3,748	14,587	7,524	6,806	2,336	(1,979)	33,022
Depreciation and amortisation	(22,205)	(10,532)	(25,046)	(2,460)	(3,471)	(1,979)	(65,693)
Finance costs	(940)	(1,488)	(936)	(741)	(104)	-	(4,209)
Income tax	(497)	(1,948)	(2,392)	(1,094)	(514)	-	(6,445)
30 June 2021 (Unaudited)							
Segment revenues	102,730	65,728	92,606	17,046	16,570	-	294,680
Segment profit before tax	(1,261)	11,341	3,254	5,059	1,953	(2,807)	17,539
Depreciation and amortisation	(22,967)	(12,707)	(28,029)	(2,908)	(3,679)	(2,807)	(73,097)
Finance costs	(1,128)	(1,823)	(2,012)	(436)	(191)	-	(5,590)
Income tax	(498)	(4,776)	(1,069)	(751)	(470)	-	(7,564)
Three-month ended: (KD ‘000)							
30 June 2022 (Unaudited)							
Segment revenues	59,385	30,419	45,357	9,240	8,806	-	153,207
Segment profit before tax	2,798	7,422	3,071	3,386	1,011	(971)	16,717
Depreciation and amortisation	(11,218)	(5,228)	(12,359)	(1,259)	(1,765)	(971)	(32,800)
Finance costs	(506)	(696)	(426)	(399)	(53)	-	(2,080)
Income tax	(497)	1,134	(695)	(587)	(366)	-	(1,011)
30 June 2021 (Unaudited)							
Segment revenues	52,268	32,983	46,808	8,267	8,309	-	148,635
Segment profit before tax	(56)	5,798	3,381	2,252	1,104	(1,226)	11,253
Depreciation and amortisation	(11,522)	(6,403)	(12,772)	(1,482)	(1,829)	(1,226)	(35,234)
Finance costs	(593)	(880)	(1,368)	(166)	(76)	-	(3,083)
Income tax	-	(2,649)	(18)	(345)	(112)	-	(3,124)

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20 SEGMENT INFORMATION (CONTINUED)

	Inside Kuwait		Outside Kuwait				Total
	Tunisia	Algeria	Maldives	Others	Un-allocated		
As at 30 June 2022 (Unaudited) (KD ‘000)							
Segment assets	334,400	164,074	277,663	77,760	74,919	195,058	1,123,874
Segment liabilities	197,337	106,702	131,556	33,817	41,435	-	510,847
As at 31 December 2021 (Audited) (KD ‘000)							
Segment assets	339,550	178,044	298,681	74,811	70,711	209,721	1,171,518
Segment liabilities	198,903	119,686	147,426	33,327	39,437	-	538,779
As at 30 June 2021 (Unaudited) (KD ‘000)							
Segment assets	330,072	174,267	313,521	68,650	70,344	217,757	1,174,611
Segment liabilities	206,056	120,200	152,445	28,119	38,570	-	545,390

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21 COMPARATIVE INFORMATION

During the period, the Group performed an exercise to determine if the presentation of the condensed consolidated interim financial information is in accordance with IAS1 "Presentation of financial statements". This exercise resulted in reclassification of certain line items in the condensed consolidated interim financial information. The comparative figures have been reclassified in order to conform with the presentation for the current period. Such reclassifications have been made by the Group to improve the quality of information presented and did not have any impact on the previously reported equity and profits.

Below is a summary of significant reclassifications made during the period:

	Previous presentation	Reclassification	Current presentation	Notes
Condensed consolidated interim statement of profit or loss for the six-month period ended 30 June 2021 (KD '000)				
Operating expenses	(121,728)	121,728	-	Operating expenses and selling, general and administrative expenses have been split out further into the financial statement line items alongside; and to separately present impairment on financial assets on the face of the condensed consolidated interim statement of profit or loss to comply with presenting the income statement appropriately by nature.
Selling, general and administrative expenses	(75,850)	75,850	-	
Network, interconnect and other operating expenses	-	(154,657)	(154,657)	
Employee salaries and associated cost	-	(32,034)	(32,034)	
Management fee expense	-	(8,068)	(8,068)	
Impairment losses on financial assets	-	(2,803)	(2,803)	
Other expense - net	(1,580)	1,580	-	
Other income	-	32	32	
Other losses - net	-	(1,628)	(1,628)	
Finance cost - net	(4,339)	4,339	-	Reclassified to present other income/expenses; and finance income and costs on a gross basis, as opposed to net to comply with IAS 1.
Finance cost	-	(5,590)	(5,590)	
Finance income	-	1,251	1,251	
Condensed consolidated interim statement of financial position as of 30 June 2021 (KD '000)				
Deferred contract assets and contract costs	13,780	(13,780)	-	Reclassified contract costs from the "Deferred Contract assets and costs" line item to the "Trade and other receivables" line item and "Other non-current assets" line item in order to comply with the requirements of IAS1 "Presentation of financial statements" and IFRS 15 "Revenue from contracts with customers".
Contract costs	-	6,437	6,437	
Trade and other receivables	157,721	4,656	162,377	
Other non-current assets	2,046	2,687	4,733	

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21 COMPARATIVE INFORMATION (CONTINUED)

	Previous presentation	Reclassification	Current presentation	Notes
Condensed consolidated interim statement of profit or loss for the three-month period ended 30 June 2021 (KD '000)				
Operating expenses	(61,172)	61,172	-	Operating expenses and selling, general and administrative expenses have been split out further into
Selling, general and administrative expenses	(37,303)	37,303	-	the financial statement line items alongside; and to
Network, interconnect and other operating expenses	-	(76,729)	(76,729)	separately present impairment on financial assets on the
Employee salaries and associated cost	-	(16,083)	(16,083)	face of the condensed consolidated interim statement of
Management fee expense	-	(4,065)	(4,065)	profit or loss to comply with presenting the income
Impairment losses on financial assets	-	(1,598)	(1,598)	statement appropriately by nature.
Other expense – net	(800)	800	-	
Other income	-	(26)	(26)	
Other losses - net	-	(774)	(774)	Reclassified to present other income/expenses; and
Finance cost - net	(2,514)	2,514	-	finance income and costs on a gross basis, as opposed to
Finance cost	-	(3,083)	(3,083)	net to comply with IAS 1.
Finance income	-	569	569	

The effects of the reclassifications in the tables above have accordingly been mirrored in the comparative period's condensed consolidated interim statement of cash flows.