

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

**Condensed consolidated interim financial information (unaudited)
and independent auditor's review report for the nine-month period
ended 30 September 2021**

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

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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 30 September 2021, and the related condensed consolidated interim statements of profit or loss, comprehensive income for the three and nine month periods then ended, and the related condensed consolidated interim changes in equity and cash flows for the nine 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 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 nine-month period ended 30 September 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 nine-month period ended 30 September 2021 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, during the nine-month period ended 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

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

26 October 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	30 September 2021 (Unaudited)	31 December 2020* (Audited)	30 September 2020* (Unaudited)
ASSETS				
Non-current assets				
Property and equipment	5	427,954	481,044	464,070
Intangible assets and goodwill	6	289,666	313,435	312,994
Right-of-use asset	7	111,555	121,109	120,266
Financial assets - equity instruments		1,920	1,920	2,163
Deferred tax assets		24,159	23,839	24,626
Contract cost		1,592	3,429	3,660
Other non-current assets		4,746	5,029	4,287
Total non-current assets		861,592	949,805	932,066
Current assets				
Inventories		9,158	13,007	15,816
Contract cost		4,222	3,445	3,232
Trade and other receivables		164,971	151,255	157,617
Bank balances and cash	8	124,052	104,303	98,864
Total current assets		302,403	272,010	275,529
Total assets		1,163,995	1,221,815	1,207,595
EQUITY AND LIABILITIES				
EQUITY				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Translation reserve		(312,765)	(291,733)	(292,937)
Other reserves	9	242,941	242,941	242,744
Retained earnings		559,471	553,691	556,607
Equity attributable to shareholders of the Parent Company		536,452	551,704	553,219
Non-controlling interests		93,800	100,068	101,024
Total equity		630,252	651,772	654,243
LIABILITIES				
Non-current liabilities				
Loans and borrowings	10	26,654	33,488	32,710
Employees' benefits		12,337	12,984	12,606
Lease liabilities	11	97,244	107,846	106,713
Contract liabilities		861	689	726
Other non-current liabilities		18,452	15,644	15,782
Total non-current liabilities		155,548	170,651	168,537
Current liabilities				
Loans and borrowings	10	20,787	28,536	24,931
Lease liabilities	11	19,149	17,997	16,310
Trade and other payables	12	290,501	303,571	295,071
Deferred income		34,795	39,473	38,271
Contract liabilities		2,026	1,871	2,093
Income tax payable		10,937	7,944	8,139
Total current liabilities		378,195	399,392	384,815
Total liabilities		533,743	570,043	553,352
Total equity and liabilities		1,163,995	1,221,815	1,207,595

* See note 21 for details regarding the reclassification.

Mohammed Bin Abdulla Al Thani
Chairman



The notes on pages 7 to 18 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 30 September		Nine-month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited)*	2021 (Unaudited)	2020 (Unaudited)*
Revenue	15	153,786	147,585	448,465	441,695
Other income		317	582	348	905
		154,103	148,167	448,813	442,600
Network, interconnect, and other operating expenses		(78,454)	(77,121)	(233,111)	(230,559)
Employee salaries and associated costs		(16,777)	(16,276)	(48,810)	(48,595)
Management fee expense		(4,187)	(4,595)	(12,254)	(12,209)
Depreciation and amortization		(35,977)	(35,295)	(109,073)	(109,694)
Finance costs		(2,517)	(2,729)	(8,106)	(8,572)
Finance income		696	569	1,946	2,069
Impairment losses on financial assets		(2,009)	(1,491)	(4,812)	(10,514)
Other losses - net		(1,112)	(532)	(2,741)	(2,183)
Profit before Directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST"), Zakat and income tax,		13,766	10,697	31,852	22,343
Directors' remuneration		(156)	(156)	(467)	(473)
Contribution to KFAS, NLST and Zakat	16	(265)	(146)	(501)	(516)
Profit before income tax		13,345	10,395	30,884	21,354
Income tax		(4,650)	(4,270)	(12,214)	(11,985)
Profit for the period		8,695	6,125	18,670	9,369
<i>Attributable to:</i>					
Shareholders of the Parent Company		6,456	4,206	13,421	5,866
Non-controlling interests		2,239	1,919	5,249	3,503
		8,695	6,125	18,670	9,369
Basic and diluted earnings per share (fils)	13	12.88	8.39	26.78	11.71

* See note 21 for details regarding the reclassification.

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)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Profit for the period	8,695	6,125	18,670	9,369
Other comprehensive income				
<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	-	75	-	75
<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	(7,664)	6,491	(25,254)	(1,842)
Total other comprehensive (loss) /income for the period	(7,664)	6,566	(25,254)	(1,767)
Total comprehensive income / (loss) for the period	1,031	12,691	(6,584)	7,602
Attributable to:				
<i>Shareholders of the Parent Company</i>	171	10,310	(7,611)	6,441
<i>Non-controlling interests</i>	860	2,381	1,027	1,161
	1,031	12,691	(6,584)	7,602

The notes on pages 7 to 18 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)

	Equity attributable to shareholders of the Parent Company						Non-Controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Other reserves	Retained earnings	Total		
Balance at 1 January 2021	50,403	(3,598)	(291,733)	242,941	553,691	551,704	100,068	651,772
Comprehensive income								
Profit for the period	-	-	-	-	13,421	13,421	5,249	18,670
Other comprehensive loss for the period	-	-	(21,032)	-	-	(21,032)	(4,222)	(25,254)
Total comprehensive (loss) / income for the period	-	-	(21,032)	-	13,421	(7,611)	1,027	(6,584)
Transfer to employee association fund	-	-	-	-	(124)	(124)	(41)	(165)
Dividend (note 14)	-	-	-	-	(7,517)	(7,517)	-	(7,517)
Dividends by subsidiaries to non-controlling interest	-	-	-	-	-	-	(7,254)	(7,254)
Balance at 30 September 2021	50,403	(3,598)	(312,765)	242,941	559,471	536,452	93,800	630,252
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 14)	-	-	-	-	(25,058)	(25,058)	-	(25,058)
Dividends by subsidiaries to non-controlling interest	-	-	-	-	-	-	(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

The notes on pages 7 to 18 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 cash flows

(All amounts in thousands Kuwaiti Dinars unless otherwise stated)

	Note	Nine-month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited)*
Cash flows from operating activities			
Profit before income tax		30,884	21,354
Adjustments for:			
Depreciation and amortisation		109,073	109,694
Finance income		(1,946)	(2,069)
Expected credit loss on financial assets		4,812	10,514
Loss/(gain) on disposal of property and equipment		184	(261)
Finance costs		8,106	8,572
Provision for KFAS, NLST and Zakat	16	501	516
Reversal / (provision) for slow moving inventories		(267)	1,084
Provision for employees benefit		1,427	1,360
		152,774	150,764
Changes in working capital:			
Trade and other receivables		(16,962)	(3,377)
Contract cost		1,060	7,786
Other non-current assets		283	(2,079)
Inventories		4,287	10,630
Trade and other payables		(13,983)	18,655
Deferred income		(4,678)	(4,586)
Contract liabilities		327	(1,754)
Other non-current liabilities		2,808	273
Cash generated from operations		125,916	176,312
Payment of employees benefit		(2,055)	(692)
Taxation paid		(10,071)	(13,529)
Cash generated from operating activities		113,790	162,091
Cash flows from investing activities			
(Decrease) / increase in term deposits		(3,929)	9,439
Purchase of property and equipment	5	(40,557)	(52,390)
Proceeds from disposal of property and equipment		52	323
Acquisition of intangible assets	6	(4,306)	(3,733)
Proceeds from disposal of intangible assets		2	-
Finance income received		1,946	2,069
Net cash used in investing activities		(46,792)	(44,292)
Cash flows from financing activities			
Finance costs paid		(3,183)	(3,548)
Dividends paid		(7,713)	(24,350)
Dividends paid by subsidiaries to non-controlling interest		(6,646)	(4,838)
Payment to employee association fund		(165)	(162)
Proceeds from loans and borrowings		40,016	62,210
Repayment of loans and borrowings		(52,855)	(110,641)
Repayment of principal and interest element of lease liability	11	(20,178)	(20,537)
Net cash used in financing activities		(50,724)	(101,866)
Effect of foreign currency translation		(454)	1,911
Net change in cash and cash equivalents		15,820	17,844
Cash and cash equivalents at beginning of the period		85,533	60,416
Cash and cash equivalents at end of the period	8	101,353	78,260

* See note 21 for details regarding the reclassification

The notes on pages 7 to 18 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)

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 26 October 2021.

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)

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 nine-month period ended 30 September 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

During the current period, due to continued uncertainties caused by COVID-19, Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated interim financial statements.

The Group has performed a qualitative assessment for its investment in CGUs, considering the minimal impact of COVID-19 on entities operating in telecommunication sector, and compared the actual results for the nine-month period ended 30 September 2021 against the budget and industry benchmarks which confirmed that the impairment assessment as at 31 December 2020 remains unchanged.

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 has updated the inputs and assumptions used for the determination of expected credit losses (“ECLs”) as at 30 September 2021. ECLs are estimated based on the relevant forward-looking of macroeconomic factors, significant increase in credit risk, and assessing the indicators of impairment for the exposures in potentially affected sectors.

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 PROPERTY AND EQUIPMENT

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Net book value at beginning of the period/year	481,044	502,329	502,329
Additions	40,557	99,590	52,390
Disposal	(236)	(108)	(62)
Depreciation charge for the period/year	(80,437)	(104,593)	(78,767)
Transfers	(212)	(28)	(19)
Currency translation effects	(12,762)	(16,146)	(11,801)
Net book value at the end of the period/year	427,954	481,044	464,070

6 INTANGIBLE ASSETS AND GOODWILL

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Net book value at beginning of the period/year	313,435	315,708	315,708
Additions	4,306	4,676	3,733
Disposals	(2)	-	-
Amortisation charge for the period/year	(12,576)	(19,245)	(14,454)
Transfers	212	28	19
Currency translation effects	(15,709)	12,268	7,988
Net book value at the end of the period/year	289,666	313,435	312,994

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 158,753 thousand (31 December 2020: KD 168,455 thousand and 30 September 2020: KD 165,195 thousand) is allocated to Ooredoo Tunisie S.A. and KD 1,927 thousand (31 December 2020: KD 1,927 thousand and 30 September 2020: 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 2020, 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 September 2021.

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 RIGHT-OF-USE ASSET

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Net book value at beginning of the period/year	121,109	124,307	124,307
Additions	9,853	24,474	14,270
Amortisation during the period/year	(16,060)	(22,443)	(16,473)
Reduction on early termination	(707)	(3,082)	(161)
Currency translation effects	(2,640)	(2,147)	(1,677)
Net book value at the end of the period/year	111,555	121,109	120,266

8 BANK BALANCES AND CASH

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Bank balances and cash	124,084	104,348	98,909
Expected credit loss	(32)	(45)	(45)
	124,052	104,303	98,864
Less: Deposits with original maturities of three months or more	(4,959)	(7,463)	(8,118)
Less: Restricted deposits	(17,740)	(11,307)	(12,486)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	101,353	85,533	78,260

The effective interest rate on interest earning deposits ranged from 0.2% to 7.29% per annum (31 December 2020: 0.52% to 12.31% per annum and 30 September 2020: 0.2% to 12.31%).

9 OTHER RESERVES

	Share Premium	Statutory reserve	General reserve	Gain on sale of treasury shares	Fair value reserve	Other reserves	Total reserves
Balance at 1 January 2021	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941
Other comprehensive loss for the period	-	-	-	-	-	-	-
Balance at 30 September 2021	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941
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

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)

10 LOANS AND BORROWINGS

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Current portion			
Due to local banks	4,090	12,000	-
Due to local banks related to subsidiaries	16,697	16,536	24,931
	20,787	28,536	24,931
Non-current portion			
Due to local banks related to subsidiaries	26,654	33,488	32,710

Unsecured debts amounting to KD 15,568 thousand (31 December and 30 September 2020: KD 15,202 thousand and KD 18,346 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 1,537 thousand (31 December and 30 September 2020: KD 7,035 thousand and KD 7,085 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 4,090 thousand (31 December and 30 September 2020: KD 12,000 thousand and Nil 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 10,166 thousand (31 December and 30 September 2020: KD 17,093 thousand and KD 20,212 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 16,080 thousand (31 December and 30 September 2020: KD 10,694 thousand and KD 11,998 thousand respectively) are due to banks in Maldives, secured by fixed deposits of Ooredoo Maldives Private Limited. These are denominated in US Dollar.

11 LEASE LIABILITIES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
At the beginning of the period/year	125,843	126,171	126,171
Additions	9,853	24,474	14,270
Interest expense on lease liabilities	4,803	6,898	5,023
Payment of lease liabilities including interest	(20,178)	(26,280)	(20,537)
Reduction on early termination	(895)	(3,542)	(455)
Exchange adjustments	(3,033)	(1,878)	(1,449)
At the end of the period/year	116,393	125,843	123,023

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)

11 LEASE LIABILITIES (CONTINUED)

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Lease liabilities	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Current	19,149	17,997	16,310
Non-Current	97,244	107,846	106,713
Net book value at the end of the period/year	116,393	125,843	123,023

12 TRADE AND OTHER PAYABLES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Accrued expenses	161,465	171,506	154,605
Trade payables	81,525	90,555	98,403
Other tax payables	19,040	13,496	14,330
Staff payables	10,451	10,558	10,335
Dividends payable	7,093	6,682	6,920
Other payables	10,927	10,774	10,478
	290,501	303,571	295,071

13 BASIC AND DILUTED EARNINGS PER SHARE

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Profit for the period attributable to shareholders of the Parent Company (KD 000's)	6,456	4,206	13,421	5,866
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)	501,162	501,162	501,162	501,162
Basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	12.88	8.39	26.78	11.71

There are no potential dilutive shares as at 30 September 2021 (31 December 2020: nil and 30 September 2020: nil)

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Notes to the condensed consolidated interim financial information

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14 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.

15 REVENUE

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenue from rendering of telecommunications services	138,654	133,688	402,740	399,623
Sale of telecommunications equipment	14,925	13,746	45,112	41,548
Others	207	151	613	524
	153,786	147,585	448,465	441,695

16 CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
KFAS	(73)	(47)	(146)	(70)
NLST	(137)	(71)	(254)	(318)
Zakat	(55)	(28)	(101)	(128)
	(265)	(146)	(501)	(516)

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17 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*

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Payable to Ooredoo Group L.L.C.	13,038	11,889	14,032
Payable to Ooredoo IP L.L.C	1,916	1,553	2,143
Payable to Omani Qatari Telecommunications Company S.A.O.G.	53	-	-
Receivable from ultimate parent company	1,090	1,019	589
Receivable from Asiacell Communications PJSC	564	577	569
Receivable from PT. Indosat Tbk	13	12	12
Receivable from Omani Qatari Telecommunications Company S.A.O.G.	-	7	18

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenue from:				
Ultimate parent company	1,237	865	3,385	3,524
Ooredoo Group L.L.C.	7	-	7	-
Asiacell Communications PJSC	-	(35)	-	123
Omani Qatari Telecommunications Company S.A.O.G.	1	6	1	8
PT. Indosat Tbk	1	-	1	-
Operating expenses to:				
Ultimate parent company	189	154	508	597
Asiacell Communications PJSC	2	1	2	6
Omani Qatari Telecommunications Company S.A.O.G.	2	38	52	63
PT. Indosat Tbk	-	-	-	2
Management fees to Ooredoo Group L.L.C.	3,294	3,688	9,622	9,562
Brand license fees to Ooredoo IP L.L.C.	893	907	2,632	2,647
Key management compensation:				
Short term benefits	2,113	2,406	5,685	5,977
Termination benefits	216	237	501	570
	2,329	2,643	6,186	6,547

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18 CONTINGENCIES AND COMMITMENTS

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Capital commitments			
For the acquisition of property and equipment	35,592	32,181	51,212
For the acquisition of Palestinian mobile license	51,020	51,452	51,821
	86,612	83,633	103,033
Contingent liabilities			
Letters of guarantee	4,588	3,893	3,730
Letters of credit	8,488	8,006	8,597
	13,076	11,899	12,327

Litigation and claims:

- (a) Additional tax claims amounting to KD 8,779 thousand on Ooredoo Tunisie S.A. for assessment periods 1 January 2016 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 853 thousand on Wataniya Telecom Algerie S.P.A. (WT A) 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 24,558 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 1,886 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 296 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 1,311 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.
- (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.

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 2020.

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20 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	Outside Kuwait					Total
	Tunisia	Algeria	Maldives	Others	Un-allocated		
Nine months ended 30 September 2021							
(Unaudited)							
Segment revenues – Point over time	121,056	91,061	140,676	25,343	25,217	-	403,353
Segment revenues – Point in time	34,667	9,525	242	324	354	-	45,112
Segment revenues	155,723	100,586	140,918	25,667	25,571	-	448,465
Segment profit before tax	(1,379)	18,836	6,334	7,572	3,368	(3,847)	30,884
Depreciation and amortisation	(34,931)	(18,958)	(41,390)	(4,362)	(5,586)	(3,846)	(109,073)
Finance costs	(1,689)	(2,666)	(2,756)	(740)	(255)	-	(8,106)
Income tax	(498)	(7,984)	(1,978)	(1,125)	(629)	-	(12,214)
Nine months ended 30 September 2020							
(Unaudited)							
Segment revenues - Over time	123,153	86,607	141,709	25,950	22,728	-	400,147
Segment revenues – At a 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 profit before tax	(3,653)	17,006	3,731	7,183	1,755	(4,668)	21,354
Depreciation and amortisation	(31,902)	(20,420)	(42,754)	(4,290)	(5,660)	(4,668)	(109,694)
Finance costs	(2,002)	(3,514)	(2,148)	(500)	(408)	-	(8,572)
Income tax	(569)	(8,664)	(1,298)	(1,164)	(290)	-	(11,985)
As at 30 September 2021 (Unaudited)							
Segment assets	336,859	173,574	301,350	70,919	68,173	213,120	1,163,995
Segment liabilities	198,847	116,147	148,502	32,456	37,791	-	533,743
As at 31 December 2020 (Audited)							
Segment assets	335,377	184,408	330,682	66,820	69,916	234,612	1,221,815
Segment liabilities	212,082	124,260	164,238	27,936	41,527	-	570,043
As at 30 September 2020 (Unaudited)							
Segment assets	341,169	177,202	328,460	65,103	70,182	225,479	1,207,595
Segment liabilities	207,260	120,311	154,713	28,221	42,847	-	553,352

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21 COMPARATIVE INFORMATION

- a) During the period, the Group performed an exercise to determine if the presentation of the condensed consolidated interim financial statements is in accordance with IAS1 “Presentation of financial statements”. This exercise resulted in reclassification of certain line items in the condensed consolidated interim financial statements. 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 nine-month period ended 30 September				
Operating expenses	(186,629)	186,629	-	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	(115,225)	115,225	-	
Network, interconnect and other operating expenses	-	(230,559)	(230,559)	
Employee salaries and associated cost	-	(48,595)	(48,595)	
Management fee expense	-	(12,209)	(12,209)	
Impairment losses on financial assets	-	(10,514)	(10,514)	
Other income / (expense) – net	(1,301)	1,301	-	
Other income	-	905	905	Reclassified to present other income/expenses; and finance income and costs on a gross basis, as opposed to net to comply with IAS 1.
Other losses - net	-	(2,183)	(2,183)	
Finance cost - net	(6,503)	6,503	-	
Finance cost	-	(8,572)	(8,572)	
Finance income	-	2,069	2,069	

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21 COMPARATIVE INFORMATION (Continued)

	Previous presentation	Reclassification	Current presentation	Notes
Condensed consolidated statement of financial position as of 31 December 2020				
Deferred contract assets and contract costs	14,175	(14,175)	-	
Contract costs	-	6,874	6,874	
Trade and other receivables	146,817	4,438	151,255	
Other non-current assets	2,166	2,863	5,029	
Condensed consolidated interim statement of financial position as of 30 September 2020				
Deferred contract assets and contract costs	12,980	(12,980)	-	
Contract costs	-	6,892	6,892	
Trade and other receivables	153,632	3,985	157,617	
Other non-current assets	2,184	2,103	4,287	

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".

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.