

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

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

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

Condensed consolidated interim financial information (unaudited)  
for the nine-month period ended 30 September 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 September 2022, and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and 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 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 nine-month period ended 30 September 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 nine-month period ended 30 September 2022 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 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



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

24 October 2022  
Kuwait

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

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

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 September 2022 (Unaudited) KD'ooo	31 December 2021 (Audited) KD'ooo	30 September 2021 (Unaudited) KD'ooo
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	404,572	434,978	427,954
Intangible assets and goodwill	6	253,978	282,835	289,666
Right-of-use assets	7	109,771	114,545	111,555
Financial assets – equity instruments		1,599	1,600	1,920
Deferred tax assets		25,084	25,189	24,159
Contract costs		1,460	1,794	1,592
Other non-current assets		6,885	7,203	4,746
<b>Total non-current assets</b>		<b>803,349</b>	<b>868,144</b>	<b>861,592</b>
<b>Current assets</b>				
Inventories		16,058	11,927	9,158
Contract costs		5,365	4,543	4,222
Trade and other receivables		179,358	162,493	164,971
Bank balances and cash	8	128,243	124,411	124,052
<b>Total current assets</b>		<b>329,024</b>	<b>303,374</b>	<b>302,403</b>
<b>Total assets</b>		<b>1,132,373</b>	<b>1,171,518</b>	<b>1,163,995</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Translation reserve		(338,656)	(315,975)	(312,765)
Other reserves	9	244,655	244,656	242,941
Retained earnings		578,396	563,265	559,471
<b>Equity attributable to shareholders of the parent</b>		<b>531,200</b>	<b>538,751</b>	<b>536,452</b>
Non-controlling interests		93,206	93,988	93,800
<b>Total equity</b>		<b>624,406</b>	<b>632,739</b>	<b>630,252</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	10	9,043	12,696	26,654
Employees' benefits		12,283	12,648	12,337
Lease liabilities	11	93,877	100,710	97,244
Other non-current liabilities		26,048	18,577	18,452
Contract liabilities		832	828	861
<b>Total non-current liabilities</b>		<b>142,083</b>	<b>145,459</b>	<b>155,548</b>
<b>Current liabilities</b>				
Trade and other payables	12	284,410	309,042	290,501
Deferred income		34,713	34,254	34,795
Loans and borrowings	10	9,252	16,468	20,787
Lease liabilities	11	20,628	20,143	19,149
Income tax payables		13,831	10,551	10,937
Contract liabilities		3,050	2,862	2,026
<b>Total current liabilities</b>		<b>365,884</b>	<b>393,320</b>	<b>378,195</b>
<b>Total liabilities</b>		<b>507,967</b>	<b>538,779</b>	<b>533,743</b>
<b>Total equity and liabilities</b>		<b>1,132,373</b>	<b>1,171,518</b>	<b>1,163,995</b>

  
Mohammed Bin Abdulla Al Thani  
Chairman

The accompanying notes from 1 to 20 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 nine-month period ended 30 September 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 September		Nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue	13	158,683	153,786	464,766	448,465
Other income		213	317	746	348
		158,896	154,103	465,512	448,813
Network, interconnect, and other operating expenses		(78,164)	(78,454)	(232,603)	(233,111)
Employee salaries and associated costs		(17,670)	(16,777)	(52,992)	(48,810)
Management fees expense	17	(4,032)	(4,187)	(13,101)	(12,254)
Depreciation and amortization		(32,394)	(35,977)	(98,087)	(109,073)
Finance costs		(2,159)	(2,517)	(6,368)	(8,106)
Finance income		874	696	2,420	1,946
Impairment losses on financial assets		(2,334)	(2,009)	(6,108)	(4,812)
Other losses - net		(1,050)	(1,112)	(2,720)	(2,741)
<b>Profit before directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and income tax,</b>		<b>21,967</b>	<b>13,766</b>	<b>55,953</b>	<b>31,852</b>
Directors' remuneration		(156)	(156)	(472)	(467)
Contribution to KFAS, NLST and Zakat	14	(468)	(265)	(1,116)	(501)
<b>Profit before income tax</b>		<b>21,343</b>	<b>13,345</b>	<b>54,365</b>	<b>30,884</b>
Income tax		(5,973)	(4,650)	(12,418)	(12,214)
<b>Profit for the period</b>		<b>15,370</b>	<b>8,695</b>	<b>41,947</b>	<b>18,670</b>
<i>Profit attributable to:</i>					
Shareholders of the parent		11,986	6,456	32,786	13,421
Non-controlling interests		3,384	2,239	9,161	5,249
		15,370	8,695	41,947	18,670
<b>Basic and diluted earnings per share (fils)</b>	16	<b>24</b>	<b>13</b>	<b>65</b>	<b>27</b>

The accompanying notes from 1 to 20 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 nine-month period ended 30 September 2022  
(All amounts are expressed in Kuwaiti Dinar unless otherwise stated)

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
	KD'000	KD'000	KD'000	KD'000
<b>Profit for the period</b>	<b>15,370</b>	8,695	<b>41,947</b>	18,670
<b>Other comprehensive loss</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations	<b>(3,990)</b>	(7,664)	<b>(24,772)</b>	(25,254)
<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	<b>(1)</b>	-	<b>(1)</b>	-
<b>Total other comprehensive loss for the period</b>	<b>(3,991)</b>	(7,664)	<b>(24,773)</b>	(25,254)
<b>Total comprehensive income /(loss) for the period</b>	<b>11,379</b>	1,031	<b>17,174</b>	(6,584)
<b>Total comprehensive income / (loss) attributable to:</b>				
Shareholders of the parent	<b>7,047</b>	171	<b>10,104</b>	(7,611)
Non-controlling interests	<b>4,332</b>	860	<b>7,070</b>	1,027
	<b>11,379</b>	1,031	<b>17,174</b>	(6,584)

The accompanying notes from 1 to 20 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 nine-month period ended 30 September 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 –	Total
	Share capital	Treasury shares	Translation reserve	Other reserves	Retained earnings	controlling interests	Equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
<b>At 1 January 2022</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(315,975)</b>	<b>244,656</b>	<b>563,265</b>	<b>538,751</b>	<b>632,739</b>
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	32,786	32,786	41,947
Other comprehensive loss	-	-	(22,681)	(1)	-	(22,682)	(24,773)
Total comprehensive (loss)/income for the period	-	-	(22,681)	(1)	32,786	10,104	17,174
<b>Transactions with shareholders of the parent, recognised directly in equity</b>							
Dividend for 2022 (Note 15)	-	-	-	-	(17,541)	(17,541)	(17,541)
<b>Transactions with non-controlling interests, recognised directly in equity</b>							
Dividend for 2022	-	-	-	-	-	(7,814)	(7,814)
<b>Transactions with non-owners of the Group, recognised directly in equity</b>							
Transfer to employee association fund	-	-	-	-	(114)	(114)	(152)
<b>At 30 September 2022</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(338,656)</b>	<b>244,655</b>	<b>578,396</b>	<b>531,200</b>	<b>624,406</b>
<b>At 1 January 2021</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(291,733)</b>	<b>242,941</b>	<b>553,691</b>	<b>551,704</b>	<b>651,772</b>
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	13,421	13,421	18,670
Other comprehensive loss	-	-	(21,032)	-	-	(21,032)	(25,254)
Total comprehensive (loss)/income for the period	-	-	(21,032)	-	13,421	(7,611)	(6,584)
<b>Transactions with shareholders of the parent, recognised directly in equity</b>							
Dividend for 2021 (Note 15)	-	-	-	-	(7,517)	(7,517)	(7,517)
<b>Transactions with non-controlling interests, recognised directly in equity</b>							
Dividend for 2021	-	-	-	-	-	(7,254)	(7,254)
<b>Transactions with non-owners of the Group, recognised directly in equity</b>							
Transfer to employee association fund	-	-	-	-	(124)	(124)	(165)
<b>At 30 September 2021</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(312,765)</b>	<b>242,941</b>	<b>559,471</b>	<b>536,452</b>	<b>630,252</b>

The accompanying notes from 1 to 20 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 nine-month period ended 30 September 2022  
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		Nine-month period ended 30 September	
	Note	2022 (Unaudited) KD'000	2021 (Unaudited) KD'000
<b>Cash flows from operating activities</b>			
Profit before income tax		54,365	30,884
<b>Adjustments for:</b>			
Depreciation and amortisation		98,087	109,073
Expected credit loss on financial assets		6,108	4,812
(Gain) / loss on disposal of property, plant and equipment		(416)	184
Finance costs		6,368	8,106
Finance income		(2,420)	(1,946)
Provision for KFAS, NLST and Zakat	14	1,116	501
Provision for slow moving inventories		(24)	(267)
Provision for employees' benefits		1,097	1,427
<b>Operating profit before working capital changes</b>		<b>164,281</b>	<b>152,774</b>
<b>Working capital changes in:</b>			
Other non-current assets		(274)	283
Inventories		(4,109)	4,287
Contract costs		(488)	1,060
Trade and other receivables		(21,810)	(16,962)
Other non-current liabilities		7,471	2,808
Trade and other payables		(25,801)	(13,983)
Deferred income		1,155	(4,678)
Contract liabilities		192	327
<b>Cash generated from operations</b>		<b>120,617</b>	<b>125,916</b>
Employees' benefits paid		(1,530)	(2,055)
Income tax paid		(8,919)	(10,071)
<b>Net cash generated from operating activities</b>		<b>110,168</b>	<b>113,790</b>
<b>Cash flows from investing activities</b>			
Decrease in term deposits		(5,966)	(3,929)
Acquisition of property, plant and equipment	5	(45,246)	(40,557)
Proceeds from disposal of property, plant and equipment		581	52
Acquisition of intangible assets and goodwill	6	(3,278)	(4,306)
Proceeds from disposal of intangible assets and goodwill		-	2
Finance income received		2,420	1,946
<b>Net cash used in investing activities</b>		<b>(51,489)</b>	<b>(46,792)</b>
<b>Cash flows from financing activities</b>			
Finance costs paid		(1,762)	(3,183)
Dividend paid to shareholders of the parent		(17,530)	(7,713)
Dividend paid to non-controlling interests		(7,772)	(6,646)
Payment to employee association fund		(152)	(165)
Proceeds from loans and borrowings		3,100	40,016
Repayments of loans and borrowings		(13,479)	(52,855)
Payments of lease liabilities including interest	11	(22,060)	(20,178)
<b>Net cash used in financing activities</b>		<b>(59,655)</b>	<b>(50,724)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(976)</b>	<b>16,274</b>
Effect of exchange rate fluctuations		(1,158)	(454)
Cash and cash equivalents at the beginning of the year		96,895	85,533
<b>Cash and cash equivalents at the end of the year</b>	8	<b>94,761</b>	<b>101,353</b>

The accompanying notes from 1 to 20 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 nine-month period ended 30 September 2022  
*(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)*

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## 1. INCORPORATION AND ACTIVITIES

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

- Purchase, supply, installation, management and maintenance of wireless sets and equipment, mobile telephone services, pager system and other telecommunication services;
- Import and export of sets, equipment and instruments necessary for the purposes of the Company;
- Purchase or hiring communication lines and facilities necessary for providing the Company’s services in co-ordination with the services provided by the State, but without interference or conflict herewith;
- Purchase of manufacturing concessions directly related to the Company’s services from manufacturers or producing them in Kuwait;
- Introduction or management of other services of similar nature and supplementary to telecommunications services with a view to upgrade such services or rendering them integrated;
- Conduct technical research relating to the Company’s business in order to improve and upgrade the Company’s services in co-operation with competent authorities within Kuwait and abroad;
- Purchase and holding of lands, construction and building of facilities required for achieving the Company’s objectives
- Purchase of all materials and machineries needed to undertake the 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 24 October 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 nine-month period ended 30 September 2022  
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

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## 2. BASIS OF PREPARATION (CONTINUED)

Operating results for the nine-month period ended 30 September 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 nine-month period ended 30 September 2022  
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

## 5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
<b>Net book value at beginning of the period/year</b>	<b>434,978</b>	481,044	481,044
Additions	45,246	74,148	40,557
Disposal	(165)	(217)	(236)
Depreciation charge for the period/year	(71,088)	(105,350)	(80,437)
Impairment	-	(143)	-
Transfers	(232)	(212)	(212)
Currency translation effects	(4,167)	(14,292)	(12,762)
<b>Net book value at the end of the period/year</b>	<b>404,572</b>	434,978	427,954

## 6. INTANGIBLE ASSETS AND GOODWILL

	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
<b>Net book value at beginning of the period/year</b>	<b>282,835</b>	313,435	313,435
Additions	3,278	3,843	4,306
Disposal	-	(2)	(2)
Amortization charge for the period/year	(10,344)	(15,834)	(12,576)
Transfers	824	(313)	212
Currency translation effects	(22,615)	(18,294)	(15,709)
<b>Net book value at the end of the period/year</b>	<b>253,978</b>	282,835	289,666

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 141,099 thousand (31 December 2021: KD 157,014 thousand and 30 September 2021: KD 147,660 thousand) is allocated to Ooredoo Tunisie S.A. and KD 1,927 thousand (31 December 2021: KD 1,927 thousand and 30 September 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 September 2022.

## 7. RIGHT-OF-USE ASSETS

	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
<b>Net book value at beginning of the period/year</b>	<b>114,545</b>	121,109	121,109
Additions	13,962	20,335	9,853
Depreciation during the period/year	(16,655)	(22,443)	(16,060)
Reduction on early termination	(563)	(1,501)	(707)
Currency translation effects	(1,518)	(2,955)	(2,640)
<b>Net book value at the end of the period/year</b>	<b>109,771</b>	114,545	111,555

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

Notes to the condensed consolidated interim financial information  
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## 8. BANK BALANCES AND CASH

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

	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
Bank balances and cash	128,331	124,449	124,084
Expected credit loss	(88)	(38)	(32)
Bank balances and cash in the condensed consolidated interim statement of financial position	128,243	124,411	124,052
Less:			
Deposits with maturity of more than three months	(13,882)	(11,726)	(4,959)
Restricted deposits	(19,600)	(15,790)	(17,740)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	94,761	96,895	101,353

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 8.67% (31 December 2021: 0.19% to 7.29% and 30 September 2021: 1.24% to 3.5%)

## 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	-	-	-	-	(1)	-	(1)
At 30 September 2022	66,634	32,200	138,778	6,914	(3,283)	3,412	244,655
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 September 2021	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941

## 10 LOANS AND BORROWINGS

	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
<b>Current portion</b>			
Due to local banks	-	27	4,090
Due to local banks related to subsidiaries	9,252	16,441	16,697
	9,252	16,468	20,787
<b>Non-current portion</b>			
Due to local banks related to subsidiaries	9,043	12,696	26,654

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## 10 LOANS AND BORROWINGS (CONTINUED)

The details of loans and borrowings are as follows:

Description	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 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	15,568
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.	-	-	1,537
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.	-	27	4,090
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.	4,370	8,758	10,166
e) Debts are due to banks in Maldives, secured by fixed deposits of Ooredoo Maldives Private Limited. These are denominated in US Dollar.	13,925	15,911	16,080
	<b>18,295</b>	<b>29,164</b>	<b>47,441</b>

## 11 LEASE LIABILITIES

	30 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
At the beginning of the period/year	120,853	125,843	125,843
Additions	13,962	20,335	9,853
Interest expense on lease liabilities	4,644	6,699	4,803
Payment of lease liabilities including interest	(22,060)	(27,338)	(20,178)
Reduction on early termination	(629)	(1,238)	(895)
Exchange adjustments	(2,265)	(3,448)	(3,033)
<b>At the end of the period/year</b>	<b>114,505</b>	<b>120,853</b>	<b>116,393</b>
Non-current portion	93,877	100,710	97,244
Current portion	20,628	20,143	19,149
	<b>114,505</b>	<b>120,853</b>	<b>116,393</b>

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## 12. TRADE AND OTHER PAYABLES

	<b>30 September 2022 (Unaudited) KD'000</b>	<b>31 December 2021 (Audited) KD'000</b>	<b>30 September 2021 (Unaudited) KD'000</b>
Trade payables	<b>81,566</b>	83,903	81,525
Accrued expenses	<b>151,278</b>	173,932	161,465
Other tax payables	<b>18,600</b>	17,057	19,040
Staff payables	<b>15,796</b>	16,229	10,451
Dividend payables	<b>6,996</b>	6,943	7,093
Other payables	<b>10,174</b>	10,978	10,927
	<b>284,410</b>	309,042	290,501

## 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.

	<b>Three-month period ended 30 September</b>		<b>Nine-month period ended 30 September</b>	
	<b>2022 (Unaudited) KD'000</b>	<b>2021 (Unaudited) KD'000</b>	<b>2022 (Unaudited) KD'000</b>	<b>2021 (Unaudited) KD'000</b>
Revenue from rendering of services	<b>141,958</b>	138,654	<b>411,221</b>	402,740
Sale of telecommunication equipment	<b>16,546</b>	14,925	<b>52,996</b>	45,112
Others	<b>179</b>	207	<b>549</b>	613
	<b>158,683</b>	153,786	<b>464,766</b>	448,465
At a point in time	<b>16,546</b>	14,925	<b>52,996</b>	45,112
Overtime	<b>142,137</b>	138,861	<b>411,770</b>	403,353
	<b>158,683</b>	153,786	<b>464,766</b>	448,465

## 14. CONTRIBUTION TO KFAS, NLST AND ZAKAT

	<b>Three-month period ended 30 September</b>		<b>Nine-month period ended 30 September</b>	
	<b>2022 (Unaudited) KD'000</b>	<b>2021 (Unaudited) KD'000</b>	<b>2022 (Unaudited) KD'000</b>	<b>2021 (Unaudited) KD'000</b>
KFAS	<b>(126)</b>	(73)	<b>(344)</b>	(146)
NLST	<b>(244)</b>	(137)	<b>(551)</b>	(254)
Zakat	<b>(98)</b>	(55)	<b>(221)</b>	(101)
	<b>(468)</b>	(265)	<b>(1,116)</b>	(501)

## 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 September		Nine-month period ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit for the year attributable to shareholders of the parent (KD'000)	11,986	6,456	32,786	13,421
<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
<b>Basic and diluted earnings per share (fils)</b>	<b>24</b>	<b>13</b>	<b>65</b>	<b>27</b>

## 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 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited) KD'000
<b>a) Balances included in the condensed consolidated interim statement of financial position</b>			
<i>Payable to:</i>			
Ooredoo Group L.L.C – fellow subsidiary	17,856	14,316	13,038
Ooredoo IP L.L.C – fellow subsidiary	2,556	2,035	1,916
Ooredoo Oman – fellow subsidiary	-	54	53
<i>Receivable from:</i>			
Ultimate parent company	464	704	1,090
Asiacell Communications PJSC - fellow subsidiary	552	536	564
Others – fellow subsidiary	14	13	13

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

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## 17 RELATED PARTY DISCLOSURES (CONTINUED)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 (Unaudited) KD'ooo	2021 (Unaudited) KD'ooo	2022 (Unaudited) KD'ooo	2021 (Unaudited) KD'ooo
<b>b) Transactions included in the condensed consolidated interim statement of profit or loss</b>				
<i>Revenue from:</i>				
Ultimate parent company	1,631	1,237	3,278	3,385
Ooredoo Group L.L.C.	23	7	23	7
Others - fellow subsidiary	-	2	1	2
<i>Operating expenses to:</i>				
Ultimate parent company	127	189	312	508
Others - fellow subsidiary	-	4	-	54
Management fees to Ooredoo Group L.L.C – fellow subsidiary	3,305	3,294	10,140	9,622
Brand license fees to Ooredoo IP L.L.C - fellow subsidiary	727	893	2,961	2,632
	<b>4,032</b>	<b>4,187</b>	<b>13,101</b>	<b>12,254</b>
<b>c) Compensation of key management personnel:</b>				
Short term benefits	2,152	2,113	5,975	5,685
Termination benefits	110	216	341	501
	<b>2,262</b>	<b>2,329</b>	<b>6,316</b>	<b>6,186</b>

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 September 2022 (Unaudited) KD'000	31 December 2021 (Audited) KD'000	30 September 2021 (Unaudited)
<b>a) Capital commitments</b>			
For the acquisition of property and equipment	32,349	29,888	35,592
For the acquisition of mobile license in a subsidiary*	52,423	51,165	51,020
	<b>84,772</b>	<b>81,053</b>	<b>86,612</b>
<b>b) Contingent liabilities</b>			
Letters of guarantee	4,878	4,903	4,588
Letters of credit	9,368	8,941	8,488
	<b>14,246</b>	<b>13,844</b>	<b>13,076</b>

### 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 52,423 thousand represents the unrecognized liability in the condensed consolidated interim financial information resulting from MTIT not fulfilling its obligations in relation with granting the Ooredoo Palestine 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 22,231 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 1,893 thousand from WTA's bank account. WTA appealed to the Court against this.
- (c) Claims against Ooredoo Maldives PLC amounting to KD 1,347 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	Tunisia	Algeria	Maldives	Others	Un-allocated	Total
<b>Outside Kuwait</b>							
<b>Nine-month ended: (KD '000)</b>							
<b>30 September 2022 (Unaudited)</b>							
Segment revenues	176,557	94,063	139,238	28,222	26,686	-	464,766
Segment profit / (loss) before tax	6,543	22,541	14,049	9,872	4,272	(2,912)	54,365
Depreciation and amortisation	(33,152)	(15,752)	(37,228)	(3,711)	(5,332)	(2,912)	(98,087)
Finance costs	(1,416)	(2,185)	(1,430)	(1,181)	(156)	-	(6,368)
Income tax	(497)	(5,179)	(4,435)	(1,621)	(686)	-	(12,418)
<b>30 September 2021 (Unaudited)</b>							
Segment revenues	155,723	100,586	140,918	25,667	25,571	-	448,465
Segment profit / (loss) 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)
<b>Three-month ended: (KD '000)</b>							
<b>30 September 2022 (Unaudited)</b>							
Segment revenues	59,555	32,065	48,489	9,407	9,167	-	158,683
Segment profit / (loss) before tax	2,795	7,955	6,525	3,066	1,935	(933)	21,343
Depreciation and amortisation	(10,947)	(5,220)	(12,182)	(1,250)	(1,862)	(933)	(32,394)
Finance costs	(476)	(697)	(494)	(440)	(52)	-	(2,159)
Income tax	-	(3,230)	(2,043)	(526)	(174)	-	(5,973)
<b>30 September 2021 (Unaudited)</b>							
Segment revenues	52,994	34,857	48,312	8,620	9,003	-	153,786
Segment (loss)/ profit before tax	(118)	7,494	3,080	2,512	1,417	(1,040)	13,345
Depreciation and amortisation	(11,962)	(6,251)	(13,361)	(1,454)	(1,909)	(1,040)	(35,977)
Finance costs	(562)	(843)	(744)	(304)	(64)	-	(2,517)
Income tax	-	(3,208)	(908)	(374)	(160)	-	(4,650)

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### 20 SEGMENT INFORMATION (CONTINUED)

	Inside Kuwait	Tunisia	Outside Kuwait			Others	Un-allocated	Total
			Algeria	Maldives				
<b>As at 30 September 2022 (Unaudited)</b>								
<b>(KD '000)</b>								
Segment assets	341,589	164,124	284,691	78,913	77,771	185,285		1,132,373
Segment liabilities	190,465	104,686	138,540	31,782	42,494	-		507,967
<b>As at 31 December 2021 (Audited)</b>								
<b>(KD '000)</b>								
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
<b>As at 30 September 2021 (Unaudited)</b>								
<b>(KD '000)</b>								
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