

***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 2023

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

Condensed consolidated interim financial information (unaudited)
for the nine-month period ended 30 September 2023
(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 2023, 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.

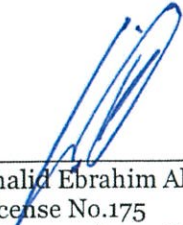
Conclusion

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 2023, 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 2023 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 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



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

23 October 2023
Kuwait

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

Condensed consolidated interim financial information
for the nine-month period ended 30 September 2023

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023 (Unaudited) KD'000	31 December 2022* (Audited) KD'000	30 September 2022* (Unaudited) KD'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	403,605	419,306	404,572
Intangible assets and goodwill	6	252,525	259,500	253,978
Right-of-use assets	7	122,904	120,167	109,771
Financial assets – equity instruments		1,122	1,211	1,599
Other non-current assets		12,356	7,583	6,885
Deferred tax assets		24,945	26,561	25,084
Contract costs		1,797	1,846	1,460
Total non-current assets		819,254	836,174	803,349
Current assets				
Inventories		14,439	15,146	16,058
Contract costs		6,908	5,861	5,365
Trade and other receivables		182,474	174,757	179,358
Bank balances and cash	8	191,833	158,508	128,243
Total current assets		395,654	354,272	329,024
Total assets		1,214,908	1,190,446	1,132,373
EQUITY AND LIABILITIES				
EQUITY				
Share capital		50,403	50,403	50,403
Treasury shares		(3,598)	(3,598)	(3,598)
Translation reserve		(328,773)	(329,672)	(338,656)
Other reserves	9	248,322	248,411	244,655
Retained earnings		626,947	580,929	578,396
Equity attributable to shareholders of the parent		593,301	546,473	531,200
Non-controlling interests		91,796	89,002	93,206
Total equity		685,097	635,475	624,406
LIABILITIES				
Non-current liabilities				
Loans and borrowings	10	8,824	7,873	9,043
Employees' benefits		12,774	12,064	12,283
Lease liabilities	11	105,158	102,968	93,877
Other non-current liabilities		17,191	18,008	18,337
Contract liabilities		1,156	879	832
Provisions	18	7,870	7,644	7,711
Total non-current liabilities		152,973	149,436	142,083
Current liabilities				
Trade and other payables	12	253,621	283,298	249,644
Deferred income		36,326	35,736	34,713
Loans and borrowings	10	6,937	7,866	9,252
Lease liabilities	11	20,058	22,452	20,628
Income tax and other tax related payables		37,940	34,845	32,078
Contract liabilities		3,613	3,183	3,050
Provisions	18	18,343	18,155	16,519
Total current liabilities		376,838	405,535	365,884
Total liabilities		529,811	554,971	507,967
Total equity and liabilities		1,214,908	1,190,446	1,132,373

*Refer to note 22 for details regarding certain reclassifications

Mohammed Bin Abdulla Al Thani
Chairman



The accompanying notes from 1 to 23 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 2023
(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	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue	13	167,819	158,683	485,990	464,766
Other income	19	145	213	45,407	746
		167,964	158,896	531,397	465,512
Network, interconnect, and other operating expenses		(82,384)	(78,164)	(243,699)	(232,603)
Employee salaries and associated costs		(15,394)	(17,670)	(48,611)	(52,992)
Management fees expense	17	(4,924)	(4,032)	(14,322)	(13,101)
Depreciation and amortization		(33,440)	(32,394)	(97,476)	(98,087)
Finance costs		(2,354)	(2,159)	(6,777)	(6,368)
Finance income		1,180	874	3,888	2,420
Impairment losses on financial assets		(1,671)	(2,334)	(9,101)	(6,108)
Other losses - net		(210)	(1,050)	(34)	(2,720)
Profit before directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and income tax,		28,767	21,967	115,265	55,953
Directors' remuneration		(156)	(156)	(473)	(472)
Contribution to KFAS, NLST and Zakat	14	(1,387)	(468)	(4,154)	(1,116)
Income tax		(6,566)	(5,973)	(19,724)	(12,418)
Profit for the period		20,658	15,370	90,914	41,947
<i>Profit attributable to:</i>					
Shareholders of the parent		16,837	11,986	81,211	32,786
Non-controlling interests		3,821	3,384	9,703	9,161
		20,658	15,370	90,914	41,947
Basic and diluted earnings per share (fils)	16	34	24	162	65

The accompanying notes from 1 to 23 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 2023
(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	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
	KD'000	KD'000	KD'000	KD'000
Profit for the period	20,658	15,370	90,914	41,947
Other comprehensive income/(loss)				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(3,940)	(3,990)	1,529	(24,772)
<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	(8)	(1)	(89)	(1)
Other comprehensive (loss) /income - net of tax	(3,948)	(3,991)	1,440	(24,773)
Total comprehensive income for the period	16,710	11,379	92,354	17,174
Total comprehensive income attributable to:				
Shareholders of the parent	13,328	7,047	82,021	10,104
Non-controlling interests	3,382	4,332	10,333	7,070
	16,710	11,379	92,354	17,174

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

Condensed consolidated interim financial information
for the nine-month period ended 30 September 2023
(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 –		
	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 controlling interests (Unaudited) KD'000	Total Equity (Unaudited) KD'000	
At 1 January 2023	50,403	(3,598)	(329,672)	248,411	580,929	546,473	89,002	635,475
Profit for the period	-	-	-	-	81,211	81,211	9,703	90,914
Other comprehensive income / (loss)	-	-	899	(89)	-	810	630	1,440
Total comprehensive income/(loss) for the period	-	-	899	(89)	81,211	82,021	10,333	92,354
<i>Transactions with shareholders of the parent, recognised directly in equity</i>								
Dividend for 2022 (Note 15)	-	-	-	-	(35,081)	(35,081)	-	(35,081)
<i>Transactions with non-controlling interests, recognised directly in equity</i>								
Dividend for 2022	-	-	-	-	-	-	(7,501)	(7,501)
<i>Transactions with non-owners of the Group, recognised directly in equity</i>								
Transfer to employee association fund	-	-	-	-	(112)	(112)	(38)	(150)
At 30 September 2023	50,403	(3,598)	(328,773)	248,322	626,947	593,301	91,796	685,097
At 1 January 2022	50,403	(3,598)	(315,975)	244,656	563,265	538,751	93,988	632,739
Profit for the period	-	-	-	-	32,786	32,786	9,161	41,947
Other comprehensive loss	-	-	(22,681)	(1)	-	(22,682)	(2,091)	(24,773)
Total comprehensive (loss)/ income for the period	-	-	(22,681)	(1)	32,786	10,104	7,070	17,174
<i>Transactions with shareholders of the parent, recognised directly in equity</i>								
Dividend for 2021 (Note 15)	-	-	-	-	(17,541)	(17,541)	-	(17,541)
<i>Transactions with non-controlling interests, recognised directly in equity</i>								
Dividend for 2021	-	-	-	-	-	-	(7,814)	(7,814)
<i>Transactions with non-owners of the Group, recognised directly in equity</i>								
Transfer to employee association fund	-	-	-	-	(114)	(114)	(38)	(152)
At 30 September 2022	50,403	(3,598)	(338,656)	244,655	578,396	531,200	93,206	624,406

The accompanying notes from 1 to 23 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 2023
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Nine-month period ended 30 September	
		2023 (Unaudited) KD'000	2022* (Unaudited) KD'000
Cash flows from operating activities			
Profit before income tax		110,638	54,365
Adjustments for:			
Depreciation and amortisation	5,6,7	97,476	98,087
Impairment losses on financial assets		9,101	6,108
Gain on disposal of property, plant and equipment		(1,006)	(416)
Gain on early termination of lease		(739)	-
Finance costs		6,777	6,368
Finance income		(3,888)	(2,420)
Provisions for site restoration and legal cases		495	-
Provision for KFAS, NLST and Zakat	14	4,154	1,116
Provision for slow moving inventory		1,660	(24)
Provision for employees' benefits		1,616	1,097
Operating profit before working capital changes		226,284	164,281
Working capital changes in:			
Other non-current assets		(4,773)	(274)
Inventories		(1,016)	(4,109)
Contract costs		(998)	(488)
Trade and other receivables		(16,747)	(21,810)
Other non-current liabilities		(817)	7,471
Trade and other payables		(27,620)	(25,598)
Deferred income		590	1,155
Contract liabilities		707	192
Cash generated from operations		175,610	120,820
Employees' benefits paid		(934)	(1,530)
Provisions for site restoration and legal cases paid		(178)	-
KFAS, NLST & Zakat paid		(1,598)	(203)
Income tax paid		(17,319)	(8,919)
Net cash generated from operating activities		155,581	110,168
Cash flows from investing activities			
Increase in term deposits		(49,152)	(5,966)
Acquisition of property, plant and equipment	5	(51,054)	(45,246)
Proceeds from disposal of property, plant and equipment		1,205	581
Acquisition of intangible assets	6	(3,879)	(3,278)
Finance income received		3,888	2,420
Net cash used in investing activities		(98,992)	(51,489)
Cash flows from financing activities			
Finance costs paid		(1,698)	(1,762)
Dividend paid to shareholders of the parent		(34,952)	(17,530)
Dividend paid to non-controlling interests		(9,687)	(7,772)
Payment to employee association fund		(150)	(152)
Proceeds from loans and borrowings		6,486	3,100
Repayments of loans and borrowings		(6,582)	(13,479)
Payments of lease liabilities including interest	11	(25,358)	(22,060)
Net cash used in financing activities		(71,941)	(59,655)
Net decrease in cash and cash equivalents		(15,352)	(976)
Effect of exchange rate fluctuations		(475)	(1,158)
Cash and cash equivalents at the beginning of the year		119,350	96,895
Cash and cash equivalents at the end of the year	8	103,523	94,761

*Refer to note 22 for details regarding certain reclassifications

The accompanying notes from 1 to 23 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 2023
(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 23 October 2023.

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 2023
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

Operating results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

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 2022, 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 2023.

Amendments and/or annual improvements to IFRSs which are effective for annual accounting period starting from 1 January 2023 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 2023:

- Amendments to IFRS 17 and IFRS 4 - Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

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 statements 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 2022.

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

Notes to the condensed consolidated interim financial information
for the nine-month period ended 30 September 2023
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
Net book value at beginning of the period/year	419,306	434,978	434,978
Additions	51,054	80,158	45,246
Disposal	(199)	(247)	(165)
Depreciation charge for the period/year	(68,638)	(95,662)	(71,088)
Transfers	(124)	(235)	(232)
Currency translation effects	2,206	314	(4,167)
Net book value at the end of the period/year	403,605	419,306	404,572

6. INTANGIBLE ASSETS AND GOODWILL

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
Net book value at beginning of the period/year	259,500	282,835	282,835
Additions	3,879	4,478	3,278
Amortization charge for the period/year	(10,552)	(13,841)	(10,344)
Transfers	124	826	824
Currency translation effects	(426)	(14,798)	(22,615)
Net book value at the end of the period/year	252,525	259,500	253,978

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 145,967 thousand (31 December 2022: KD 146,604 thousand and 30 September 2022: KD 141,099 thousand) is allocated to Ooredoo Tunisie S.A. and KD 1,927 thousand (31 December 2022: KD 1,927 thousand and 30 September 2022: KD 1,927) 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 2022, 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 2023.

7. RIGHT-OF-USE ASSETS

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
Net book value at beginning of the period/year	120,167	114,545	114,545
Additions	22,893	30,758	13,962
Reduction on early termination	(2,244)	(1,081)	(563)
Depreciation charge for the period/year	(18,286)	(23,300)	(16,655)
Currency translation effects	374	(755)	(1,518)
Net book value at the end of the period/year	122,904	120,167	109,771

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

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

8. CASH AND CASH EQUIVALENTS

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

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
Bank balances and cash	191,949	158,601	128,331
Expected credit loss	(116)	(93)	(88)
Bank balances and cash in the condensed consolidated interim statement of financial position	191,833	158,508	128,243
Less:			
Deposits with original maturity of more than three months and less than 12 months	(70,645)	(18,416)	(13,882)
Restricted deposits	(17,665)	(20,742)	(19,600)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	103,523	119,350	94,761

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 10.85% (31 December 2022: 1.24% to 10.7% and 30 September 2022: 1.24% to 8.67%).

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 2023	66,634	32,200	142,922	6,914	(3,671)	3,412	248,411
Other comprehensive Loss for the period	-	-	-	-	(89)	-	(89)
At 30 September 2023	66,634	32,200	142,922	6,914	(3,760)	3,412	248,322
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

10 LOANS AND BORROWINGS

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
Current portion			
Due to local banks related to subsidiaries	6,937	7,866	9,252
	6,937	7,866	9,252
Non-current portion			
Due to local banks related to subsidiaries	8,824	7,873	9,043
	8,824	7,873	9,043

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

Notes to the condensed consolidated interim financial information
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10 LOANS AND BORROWINGS (CONTINUED)

The details of loans and borrowings are as follows:

Description	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
a) 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.	1,657	3,330	4,370
b) Debts are due to banks in Maldives, secured by fixed deposits of Ooredoo Maldives Private Limited. These are denominated in US Dollar.	14,104	12,409	13,925
	15,761	15,739	18,295

11 LEASE LIABILITIES

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited) KD'000	30 September 2022 (Unaudited) KD'000
At the beginning of the period/year	125,420	120,853	120,853
Additions	22,893	30,758	13,962
Interest expense on lease liabilities	5,079	6,635	4,644
Payment of lease liabilities including interest	(25,358)	(30,639)	(22,060)
Reduction on early termination	(2,983)	(1,080)	(629)
Exchange adjustments	165	(1,107)	(2,265)
At the end of the period/year	125,216	125,420	114,505
Non-current portion	105,158	102,968	93,877
Current portion	20,058	22,452	20,628
	125,216	125,420	114,505

12 TRADE AND OTHER PAYABLES

	30 September 2023 (Unaudited) KD'000	31 December 2022* (Audited) KD'000	30 September 2022* (Unaudited) KD'000
Trade payables	82,439	84,337	81,566
Accrued expenses	124,200	141,297	116,512
Other tax payables	14,717	18,221	18,600
Staff payables	13,654	19,794	15,796
Dividend payables	8,654	10,712	6,996
Other payables	9,957	8,937	10,174
	253,621	283,298	249,644

*Refer to note 22 for details regarding certain reclassifications

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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. The disclosure of revenue by streams is consistent with the revenue information that is disclosed for each reportable segment under (note 21).

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 (Unaudited) KD'000	2022 (Unaudited) KD'000	2023 (Unaudited) KD'000	2022 (Unaudited) KD'000
Revenue from rendering of services	150,187	141,958	432,016	411,221
Sale of telecommunication equipment	17,421	16,546	53,356	52,996
Others	211	179	618	549
	167,819	158,683	485,990	464,766
At a point in time	17,421	16,546	53,356	52,996
Overtime	150,398	142,137	432,634	411,770
	167,819	158,683	485,990	464,766

14. CONTRIBUTION TO KFAS, NLST AND ZAKAT

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 (Unaudited) KD'000	2022 (Unaudited) KD'000	2023 (Unaudited) KD'000	2022 (Unaudited) KD'000
KFAS	(183)	(126)	(858)	(344)
NLST	(860)	(244)	(2,355)	(551)
Zakat	(344)	(98)	(941)	(221)
	(1,387)	(468)	(4,154)	(1,116)

15. DIVIDEND

The Annual General Assembly of the Parent Company held on 9 March 2023, approved the consolidated financial statements of the Group for the year ended 31 December 2022 and the payment of cash dividend of 70 fils per share for the year ended 31 December 2022 (2021: cash dividend of 35 fils per share for the year ended 31 December 2021) to the Parent Company's equity shareholders existing as at 2 April 2023.

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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	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Profit for the year attributable to shareholders of the parent (KD'ooo)	16,837	11,986	81,211	32,786
<i>Number of shares outstanding:</i>				
Weighted average number of paid up shares (ooo's)	504,033	504,033	504,033	504,033
Weighted average number of treasury shares (ooo's)	(2,871)	(2,871)	(2,871)	(2,871)
Weighted average number of outstanding shares (ooo's)	501,162	501,162	501,162	501,162
Basic and diluted earnings per share (fils)	34	24	162	65

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 2023 (Unaudited) KD'ooo	31 December 2022 (Audited) KD'ooo	30 September 2022 (Unaudited) KD'ooo
a) Balances included in the consolidated statement of financial position			
<i>Payable to:</i>			
Ooredoo Group L.L.C – fellow subsidiary	19,104	19,195	17,856
Ooredoo IP L.L.C – fellow subsidiary	3,191	2,673	2,556
Ooredoo Oman – fellow subsidiary	-	24	-
<i>Receivable from:</i>			
Ultimate parent company	275	435	464
Asiacell Communications PJSC - fellow subsidiary	403	390	552
Others – fellow subsidiary	16	-	14

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17 RELATED PARTY DISCLOSURES (CONTINUED)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 (Unaudited) KD'000	2022 (Unaudited) KD'000	2023 (Unaudited) KD'000	2022 (Unaudited) KD'000
b) Transactions included in the consolidated statement of profit or loss				
<i>Revenue from:</i>				
Ultimate parent company	(38)	1,631	522	3,278
Others - fellow subsidiary	1	23	14	23
<i>Operating expenses to:</i>				
Ultimate parent company	16	127	100	312
Others - fellow subsidiary	15	-	27	-
Management fees to Ooredoo Group L.L.C – fellow subsidiary	3,742	3,305	10,819	10,140
Brand license fees to Ooredoo IP L.L.C - fellow subsidiary	1,182	727	3,503	2,961
	4,924	4,032	14,322	13,101
c) Compensation of key management personnel:				
Short term benefits	1,115	2,152	5,487	5,975
Termination benefits	106	110	526	341
	1,221	2,262	6,013	6,316

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

18 PROVISIONS

	30 September 2023 (Unaudited) KD'000	31 December 2022 (Audited)* KD'000	30 September 2022 (Unaudited)* KD'000
Current portion			
Legal, regulatory, and other provisions	18,343	18,155	16,519
Non-current portion			
Site Restoration Provision	7,870	7,644	7,711

* Refer to note 22 for details regarding certain reclassifications.

(i) Other provisions include provisions relating to certain legal, commercial, and other regulatory related matters, including provisions relating to certain Group subsidiaries.

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19 COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS

	30 September 2023 (Unaudited) KD'ooo	31 December 2022 (Audited) KD'ooo	30 September 2022 (Unaudited)
a) Capital commitments			
For the acquisition of property and equipment	35,191	28,045	32,349
For the acquisition of mobile license in a subsidiary*	52,276	51,723	52,423
	87,467	79,768	84,772
b) Contingent liabilities			
Letters of guarantee	7,613	5,254	4,878
Letters of credit	10,005	9,055	9,368
	17,618	14,309	14,246

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 52,276 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 3G frequencies in Gaza 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 22,730 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 1,935 thousand from WTA's bank account. WTA appealed to the Court against this.
- (c) Claims against Ooredoo Maldives PLC amounting to KD 1,343 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 Mar-2023, the court of cassation rendered its ruling in favour of the Group for a part of the contingent asset by enforcing CITRA and MOC to compensate the company a sum of KD 43,817 thousand for the period till August 2016. The Group completed the execution process and received the full amount of the judgement. The Group has already filled claims to recover remaining excess regulatory tariff for the period from August 2016 till date.

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20 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 2022.

21 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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21 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		
Nine-month ended: (KD '000)							
30 September 2023 (Unaudited)							
Segment revenues	184,998	92,386	152,233	30,648	25,725	-	485,990
Segment profit / (loss) before income tax, KFAS, NLST and Zakat	58,950	17,081	25,525	11,407	4,704	(2,875)	114,792
Depreciation and amortisation	(32,280)	(15,721)	(37,717)	(3,473)	(5,410)	(2,875)	(97,476)
Finance costs	(1,392)	(1,842)	(1,992)	(1,403)	(148)	-	(6,777)
Income tax	(898)	(8,889)	(7,307)	(1,713)	(917)	-	(19,724)
30 September 2022 (Unaudited)							
Segment revenues	176,557	94,063	139,238	28,222	26,686	-	464,766
Segment profit / (loss) before income tax, KFAS, NLST and Zakat	7,659	22,541	14,049	9,872	4,272	(2,912)	55,481
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)
Three-month ended: (KD '000)							
30 September 2023 (Unaudited)							
Segment revenues	62,096	32,891	53,712	10,460	8,660	-	167,819
Segment profit / (loss) before income tax, KFAS, NLST and Zakat	7,236	7,715	9,071	3,935	1,613	(959)	28,611
Depreciation and amortisation	(10,636)	(5,383)	(13,521)	(1,107)	(1,834)	(959)	(33,440)
Finance costs	(500)	(620)	(713)	(476)	(45)	-	(2,354)
Income tax	-	(3,256)	(2,550)	(595)	(165)	-	(6,566)

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21 SEGMENT INFORMATION (CONTINUED)

	Inside Kuwait	Outside Kuwait				Total
		Tunisia	Algeria	Maldives	Others	
30 September 2022 (Unaudited)						
Segment revenues	59,555	32,065	48,489	9,407	9,167	158,683
Segment profit / (loss) before income tax, KFAS, NLIST and Zakat	3,263	7,955	6,525	3,066	1,935	21,811
Depreciation and amortisation	(10,947)	(5,220)	(12,182)	(1,250)	(1,862)	(32,394)
Finance costs	(476)	(697)	(494)	(440)	(52)	(2,159)
Income tax	-	(3,230)	(2,043)	(526)	(174)	(5,973)
As at 30 September 2023 (Unaudited) (KD '000)						
Segment assets	395,255	165,835	292,418	90,653	82,704	1,214,908
Segment liabilities	194,027	108,107	148,059	37,392	42,226	529,811
As at 31 December 2022 (Audited) (KD '000)						
Segment assets	355,641	170,021	309,010	83,700	80,341	1,190,446
Segment liabilities	198,402	111,339	167,505	34,806	42,919	554,971
As at 30 September 2022 (Unaudited) (KD '000)						
Segment assets	341,589	164,124	284,691	78,913	77,771	1,132,373
Segment liabilities	190,465	104,686	138,540	31,782	42,494	507,967

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22 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 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 KD' 000	Reclassification KD' 000	Current KD' 000	Notes
Consolidated statement of financial position as at 31 December 2022				
Other non-current liabilities	25,652	(7,644)	18,008	Reclassification of the provision for site restoration from other non-current liabilities to a separate line item in the consolidated statement of financial position.
Provisions – non-current	-	7,644	7,644	
Trade and other payables	319,557	(36,259)	283,298	Reclassification of KFAS, Zakat and NLST payable and related provision from trade and other payables to income tax and other tax related payables and provisions related to litigations to a provision line.
Provisions – current	-	18,155	18,155	
Income tax and other tax related payables	16,741	18,104	34,845	
Condensed consolidated interim statement of financial position as at 30 September 2022				
Other non-current liabilities	26,048	(7,711)	18,337	Reclassification of the provision for site restoration from other non-current liabilities to a separate line item in the condensed consolidated interim statement of financial position.
Provisions – non-current	-	7,711	7,711	
Trade and other payables	284,410	(34,766)	249,644	Reclassification of KFAS, Zakat and NLST payable and related provision from trade and other payables to income tax and other tax related payables and provisions related to litigations to a provision line.
Provisions – current	-	16,519	16,519	
Income tax and other tax related payables	13,831	18,247	32,078	

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 with no impact on net cash generated from operating activities, net cash used in investing activities or net cash used in financing activities.

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23 SUBSEQUENT EVENTS

The unstable political situation in Palestine where Group operates through one of its subsidiaries specifically in Gaza, has escalated and unsafe at the end of the first week of October 2023, war has been declared by Israel and the attacks are ongoing in Gaza and clashes are taking place in various settlements and cities in Palestine and Israel. The Group considers the impact to be an event subsequent to the date of the condensed consolidated interim financial information without recording any adjustments. As the situation is rapidly evolving, the potential impact on the Group's business performance remains uncertain. As of the date of this report, the situation is not expected to have a material impact on the Group's results of operations. However, the Group continues to monitor the situation closely, including potential impacts on the business results, operations, and employees. The situation could change at any time and there can be no assurance that the unstable situation will not have a material adverse impact on the Group's future results.