

## Notes to the condensed consolidated interim unaudited financial statement as of 30 Sep. 2020:

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### Introduction

Asiacell is the first and the leading mobile telecommunications company in Iraq established in 1999.

In August 2007 Asiacell bid and win a 15-years license to become one of three GSM telecom operator listed in Iraq.

Asiacell is also the best internet provider with its 3.9G data services, offering the best network coverage in the entire of Iraq since January 2015.

Asiacell's performance during the first nine months of 2020 was affected by movement restrictions imposed in various regions of Iraq as a result of the Covid-19 pandemic.

The company achieved revenues of IQD 983 bn during the period, down by 10% compared to the same period last year.

As a result, \*EBITDA decreased by 11% to reach IQD 428.5 bn during the first nine months of 2020 compared to the same period last year. In spite of this, the expenditure reduction initiatives contributed to containing the impact of the decrease in revenues, which was reflected in the stability of the 45% \*EBITDA margin for the first nine months of 2020.

Asiacell's customer base at the end of the first nine months of 2020 stood at 14.2 million (it was 14.1 million in the first nine months of 2019), supported by the digital services provided by the company. Asiacell launched its mobile application, which has become the most downloaded application in Iraq as a telecom operator application, with more than 1.5 million downloads.

The following points presents the revenue and profit information for the nine-months period ended at 30 Sep. 2020 compared to 30 Sep. 2019:

- The total company revenue from rendering of telecom services was down by IQD 107 bn at 3<sup>rd</sup> Q 2020 to be IQD 983 bn compared to IQD 1,090 bn at the same period 2019.
- The total company cost the telecom services was down by IQD 160 bn at 3<sup>rd</sup> Q 2020 to be IQD 763 bn compared to IQD 923 bn at the same period 2019.

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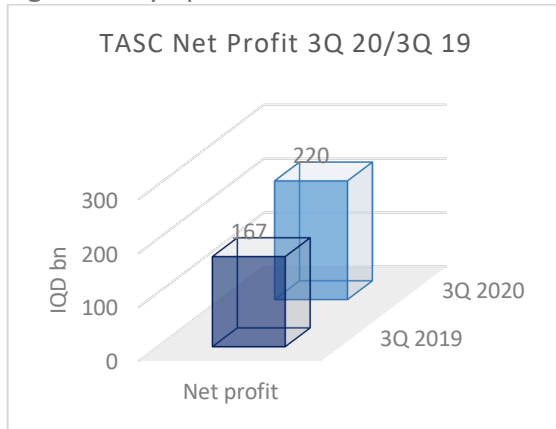
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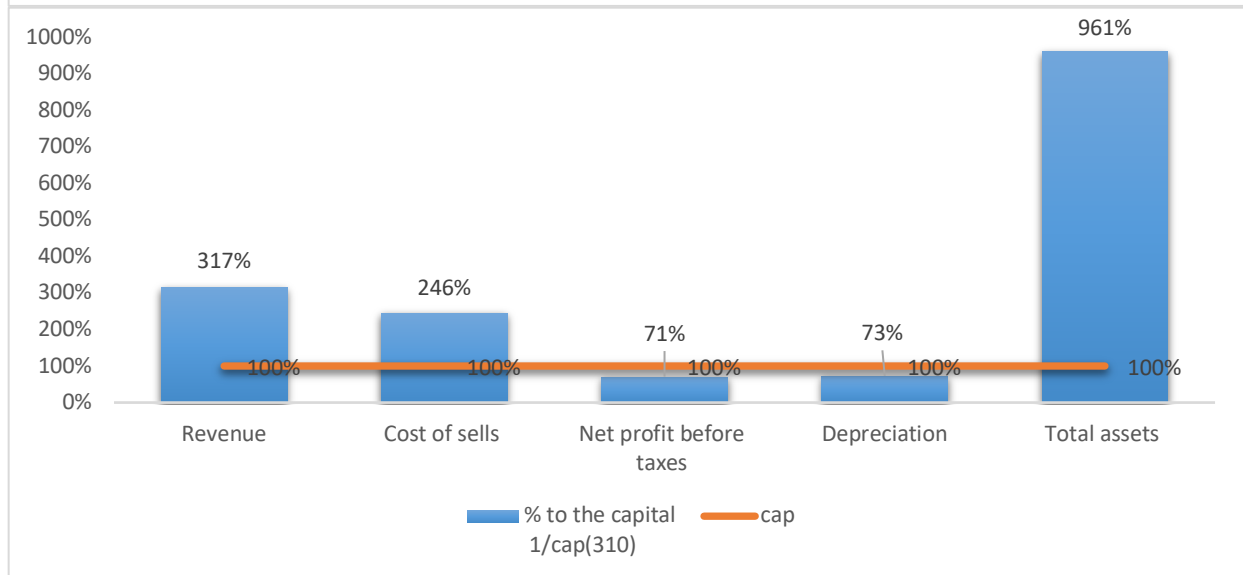
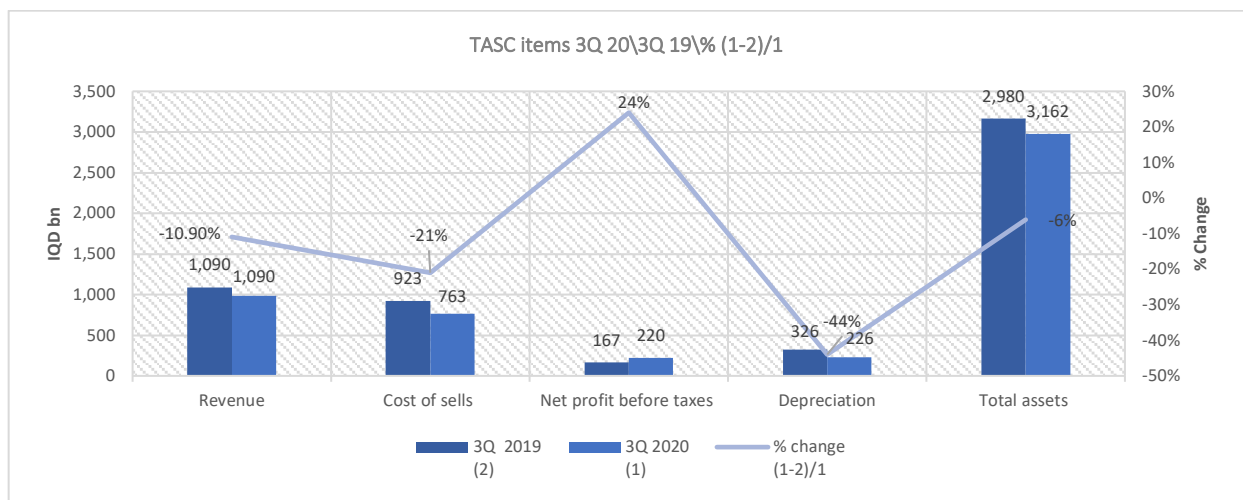
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- The Net profit attributable to company's shareholders in 3<sup>rd</sup> Q 2020 grew with a big jump by 24% to reach IQD 220 bn, significantly up from IQD 167 bn in 2019.



- Asiacell's customer base reach almost to 14.2 million customers with a total market share of 40% in Iraq.
- Depreciation and amortization's reduced by 30% in the 3<sup>rd</sup> Q 2020 to be IQD 226 bn compared to IQD 326 bn at 2019.
- The total assets of the company at 30 Sep. 2020 reduces by 6% from IQD 3,162 bn to IQD 2,980 bn at 31 Dec. 2019
- Asiacell serves the needs of its customers through retail and franchise outlets of as many as 21000 points of sales and outlets throughout the country. It also operates 38 branded outlets and is set to unveil a national network of franchised stores. Asiacell has a state-of-the-art customer service facility that serves 24 hours a day, 7 days a week to support customers' requirements with dedicated teams to serve corporate. Historically, known the company has Approve to distribute 100% cash dividends in last GA meeting for the year ended 31 Dec. 2019 with a P/E and return on investment of 14.28%.

Financial Highlights (bn)	3Q 2019 (2)	3Q 2020 (1)	% change (1-2)/1	% to the capital 1/cap(310)
Revenue	1,090	983	-10.90%	317%
Cost of sells	923	763	-21%	246%
Net profit before taxes	167	220	24%	71%
Depreciation	326	226	-44%	73%
Total assets	3,162	2,980	-6%	961%



Source: Ooredoo financial statement disclosure review report ended 30/9/2020.

Note: We used an exchange rate of 3.64 from QR to \$ and 1200 from \$ to IQD.

\*(EBITDA): Earnings before interest, taxes, depreciation, and amortization.



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