

**Bahrain Telecommunications  
Company BSC**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**31 March 2023**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2023**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)  
for the three months ended 31 March 2023**

Three months ended 31 March	Unit	2023	2022	Variation %
Gross revenue	BD million	103.5	98.5	5.1%
Expenses	BD million	78.0	76.4	2.2%
Profit attributable to Beyon shareholders	BD million	18.0	17.9	0.8%
Return on net worth (Annualized)	%	14.0	14.3*	(2.1%)
Weighted average number of shares outstanding during the period	million	1,652	1,652	0.0%
Basic and diluted earnings per share for the period	Fils	10.9	10.8	0.9%

*\*Based on actual profit for the year ended 31 December 2022*

# Independent auditors' report on review of condensed consolidated interim financial statements

## To the Board of Directors

*Bahrain Telecommunications Company BSC*  
*Kingdom of Bahrain*

### Introduction

We have reviewed the accompanying 31 March 2023 condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2023;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2023;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2023; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements 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 statements 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 31 March 2023 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2023**

BD'000

	Note	31 March 2023 (reviewed)	31 December 2022 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		305,175	304,210
Right-of-use assets		56,651	56,845
Goodwill		135,022	134,738
Other intangible assets		146,822	147,646
Equity accounted investees		7,465	7,160
Deferred tax assets		5,940	6,671
Investments		20,615	17,063
Other non-current assets		6,134	5,076
<b>Total non-current assets</b>		<b>683,824</b>	<b>679,409</b>
<b>Current assets</b>			
Inventories		7,806	5,582
Trade and other receivables		171,281	158,789
Deferred tax assets		927	-
Investments		3,572	3,537
Cash and bank balances	3	234,081	253,844
<b>Total current assets</b>		<b>417,667</b>	<b>421,752</b>
<b>Total assets</b>		<b>1,101,491</b>	<b>1,101,161</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables		45,475	45,051
Lease liabilities		47,477	47,815
Loans and borrowings	4	228,925	228,899
Deferred tax liabilities		5,985	6,141
<b>Total non-current liabilities</b>		<b>327,862</b>	<b>327,906</b>
<b>Current liabilities</b>			
Trade and other payables		231,612	218,272
Lease liabilities		8,541	8,066
Loans and borrowings	4	6,578	4,595
<b>Total current liabilities</b>		<b>246,731</b>	<b>230,933</b>
<b>Total liabilities</b>		<b>574,593</b>	<b>558,839</b>
<b>Net assets</b>		<b>526,898</b>	<b>542,322</b>
<b>EQUITY</b>			
Share capital		166,320	166,320
Statutory reserve		85,843	84,060
General reserve		44,000	44,000
Other reserves		(44,782)	(47,602)
Treasury shares		(4,973)	(4,932)
Retained earnings		237,356	254,521
<b>Total equity attributable to equity holders of the Company</b>		<b>483,764</b>	<b>496,367</b>
Non-controlling interest		43,134	45,955
<b>Total equity (Page 6 - 7)</b>		<b>526,898</b>	<b>542,322</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 9 May 2023 and signed on its behalf by:

Abdulla bin Khalifa Al Khalifa  
Chairman

Ali bin Khalifa Al Khalifa  
Deputy Chairman

Mikkel Vinter  
Chief Executive Officer

The accompanying notes 1 to 12 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the three months ended 31 March 2023**

BD'000

		<b>Three months ended 31 March</b>	
	Note	<b>2023 (reviewed)</b>	<b>2022 (reviewed)</b>
<b>REVENUE</b>	5	<b>103,544</b>	98,473
<b>EXPENSES</b>			
Network operating expenses		(35,231)	(31,175)
Staff costs		(13,333)	(13,841)
Depreciation, amortisation and tangible assets impairment		(17,217)	(18,516)
Impairment loss on trade receivables and contract assets		(1,108)	(748)
Other operating expenses		(11,158)	(12,077)
<b>Total expenses</b>		<b>(78,047)</b>	<b>(76,357)</b>
<b>Results from operating activities</b>		<b>25,497</b>	22,116
Finance and related income		2,032	1,087
Finance and related expense		(5,566)	(3,148)
Other income (net)		566	2,549
Share of profit / (loss) from equity accounted investees (net)		313	(128)
<b>Profit before taxation</b>		<b>22,842</b>	22,476
Income tax expense		(2,559)	(2,040)
<b>Profit for the period</b>		<b>20,283</b>	20,436
<b>Other comprehensive income:</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign currency translation differences – foreign operations		1,108	(2,412)
Investment fair value changes (debt securities)		-	(74)
		<b>1,108</b>	(2,486)
<i>Items that will never be reclassified to profit or loss:</i>			
Investment fair value changes (equity securities)		1,608	(2,529)
		<b>1,608</b>	(2,529)
Total other comprehensive income, net of tax		<b>2,716</b>	(5,015)
<b>Total comprehensive income for the period</b>		<b>22,999</b>	15,421
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		18,045	17,903
Non-controlling interest		2,238	2,533
		<b>20,283</b>	20,436
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		20,761	12,888
Non-controlling interest		2,238	2,533
		<b>22,999</b>	15,421
<b>Basic and diluted earnings per share (Fils)</b>	6	<b>10.9</b>	10.8

The condensed consolidated interim financial statements were approved by the Board of Directors on 9 May 2023 and signed on its behalf by:

Abdulla bin Khalifa Al Khalifa  
Chairman

Ali bin Khalifa Al Khalifa  
Deputy Chairman

Mikkel Vinter  
Chief Executive Officer

The accompanying notes 1 to 12 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the three months ended 31 March 2023**

BD'000

	Note	Three months ended 31 March	
		2023 (reviewed)	2022 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Profit for the period		20,283	20,436
<b>Adjustment for:</b>			
Non-operating items, including tax		5,527	1,552
Share of (profit) / loss from equity accounted investees		(313)	128
Depreciation, amortisation and tangible assets impairment		17,217	18,516
Impairment loss on trade receivables and contract assets		1,108	748
		43,822	41,380
<b>Working capital changes:</b>			
(Increase) / decrease in trade and other receivables		(15,305)	694
Increase in inventories		(2,202)	(602)
Decrease in trade and other payables		(3,422)	(6,945)
<b>Cash generated from operating activities</b>		<b>22,893</b>	<b>34,527</b>
Taxes paid		(2,912)	(2,200)
Payment to charities		(1,293)	(183)
<b>Net cash from operating activities</b>		<b>18,688</b>	<b>32,144</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, equipment and intangibles, net of disposal		(31,682)	(14,925)
Net cash from sale of other investments		6,002	11,214
Interest and investment income received		2,549	2,239
<b>Net cash used in investing activities</b>		<b>(23,131)</b>	<b>(1,472)</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(2,051)	(5,343)
Payment of lease liabilities		(3,144)	(3,008)
Interest paid		(4,367)	(2,110)
Borrowings drawn, net		2,077	258
Acquisition of treasury shares, net		(453)	-
Sale / (purchase) of market making shares, net		412	(170)
<b>Net cash used in financing activities</b>		<b>(7,526)</b>	<b>(10,373)</b>
<b>(Decrease) / increase in cash and cash equivalents during the period</b>		<b>(11,969)</b>	<b>20,299</b>
Cash and cash equivalents at 1 January		208,903	138,727
<b>Cash and cash equivalents at 31 March</b>	3	<b>196,934</b>	<b>159,026</b>

The accompanying notes 1 to 12 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the three months ended 31 March 2023**

BD'000

2023	Equity attributable to equity holders of the Company											Non - controlling interest	Total equity
	Note	Share capital	Statutory reserve	General reserve	Other Reserves			Treasury shares		Retained earnings	Total		
					Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares				
At 1 January 2023		166,320	84,060	44,000	(23,636)	(24,670)	704	(3,791)	(1,141)	254,521	496,367	45,955	542,322
Profit for the period		-	-	-	-	-	-	-	-	18,045	18,045	2,238	20,283
Other comprehensive income													
Foreign currency translation differences		-	-	-	1,108	-	-	-	-	-	1,108	-	1,108
Investment fair value changes		-	-	-	-	1,608	-	-	-	-	1,608	-	1,608
Total other comprehensive income		-	-	-	1,108	1,608	-	-	-	-	2,716	-	2,716
Total comprehensive income for the period		-	-	-	1,108	1,608	-	-	-	18,045	20,761	2,238	22,999
Contributions and distributions													
Final dividends declared for 2022	10	-	-	-	-	-	-	-	-	(31,447)	(31,447)	-	(31,447)
Donations approved for 2022	10	-	-	-	-	-	-	-	-	(1,980)	(1,980)	-	(1,980)
Sale of market making shares		-	-	-	-	-	-	412	-	-	412	-	412
Acquisition of treasury shares		-	-	-	-	-	-	-	(453)	-	(453)	-	(453)
Equity-settled share-based payment		-	-	-	-	-	104	-	-	-	104	-	104
Transfer to statutory reserve		-	1,783	-	-	-	-	-	-	(1,783)	-	-	-
Dividends to non – controlling interest		-	-	-	-	-	-	-	-	-	-	(5,059)	(5,059)
Total contributions and distributions		-	1,783	-	-	-	104	412	(453)	(35,210)	(33,364)	(5,059)	(38,423)
At 31 March 2023 (reviewed)		166,320	85,843	44,000	(22,528)	(23,062)	808	(3,379)	(1,594)	237,356	483,764	43,134	526,898

The accompanying notes 1 to 12 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the three months ended 31 March 2023**

BD'000

2022	Equity attributable to equity holders of the Company											Non - controlling interest	Total equity
	Note	Share capital	Statutory reserve	General reserve	Other Reserves			Treasury shares		Retained earnings	Total		
					Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares				
At 1 January 2022		166,320	83,285	44,001	(14,873)	(21,328)	533	(3,697)	(881)	236,236	489,596	41,087	530,683
Profit for the period		-	-	-	-	-	-	-	-	17,903	17,903	2,533	20,436
Other comprehensive income													
Foreign currency translation differences		-	-	-	(2,412)	-	-	-	-	-	(2,412)	-	(2,412)
Investment fair value changes						(2,603)					(2,603)		(2,603)
Total other comprehensive income					(2,412)	(2,603)	-	-	-	-	(5,015)	-	(5,015)
Total comprehensive income for the period					(2,412)	(2,603)	-	-	-	17,903	12,888	2,533	15,421
Transaction with the owners of the Company													
Contributions and distributions													
Final dividends declared for 2021	10	-	-	-	-	-	-	-	-	(27,443)	(27,443)	-	(27,443)
Donations approved for 2021	10	-	-	-	-	-	-	-	-	(1,647)	(1,647)	-	(1,647)
Purchase of market making shares		-	-	-	-	-	-	(170)	-	-	(170)	-	(170)
Equity-settled share-based payment		-	-	-	-	-	73	-	-	-	73	-	73
Transfer to statutory reserve		-	774	-	-	-	-	-	-	(774)	-	-	-
Dividends to non – controlling interest		-	-	-	-	-	-	-	-	-	-	(3,685)	(3,685)
Total contributions and distributions		-	774	-	-	-	73	(170)	-	(29,864)	(29,187)	(3,685)	(32,872)
At 31 March 2022 (reviewed)		166,320	84,059	44,001	(17,285)	(23,931)	606	(3,867)	(881)	224,275	473,297	39,935	513,232

The accompanying notes 1 to 12 are integral part of the condensed consolidated interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the three months ended 31 March 2023**

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**1 REPORTING ENTITY**

Bahrain Telecommunications Company BSC (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the three months period ended 31 March 2023 comprise the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group", "Beyon" and individually as "Beyon entities") and Beyon's interests in an equity accounted investees. The Group is principally engaged in the provision of public telecommunications and associated products and services.

**2 BASIS OF PREPARATION****a) Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting'. These do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2022.

The condensed consolidated interim financial statements are reviewed, not audited.

**b) Significant accounting policies**

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the last audited consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of relevant new IFRSs, amendments and interpretations issued by IASB that are effective for annual periods beginning on or after 1 January 2023. The impact of adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial statements.

**c) Seasonality**

Due to the effect of seasonal variations, the results reported in the condensed consolidated interim financial statements may not represent a proportionate share of the overall annual result.

**d) Judgements and estimates**

In preparing these condensed consolidated interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's audited consolidated financial statements as at and for the year ended 31 December 2022 except for the effects of those identified in Note 11.

**3 CASH AND BANK BALANCES**

Cash and bank balances include BD 37,147 (Dec 2022: BD 44,941) of short-term bank deposits with maturities exceeding three months, restricted cash and unclaimed dividends. These have been excluded from cash and cash equivalent in the condensed consolidated statement of cash flows.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the three months ended 31 March 2023**

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**4 LOANS AND BORROWINGS**

Terms financing and overdraft facilities from banks include:

- (i) Long term loan facility with a total available amount of BD 58.5 million (2022: BD 58.5 million) has been utilised by a Beyon entity to fund the company's working capital and license fees. The facility bears an interest rate of PLR – 3.35% per annum and is due to be settled by 2033. As at 31 March 2023, a total amount of BD 24.4 million (2022: BD 24.4 million) is outstanding against this facility out of which BD 0.9 million (2022: BD nil) is classified under current liabilities being due within the next 12 months;
- (ii) Long term loan facility with a total available amount of BD 8.0 million (2022: BD 8.0 million) has been obtained by a Beyon entity to fund the company's infrastructure and network requirements. The facility bears an interest rate of PLR – 2.2% per annum and is due to be settled by 2035. As at 31 March 2023, a total amount of BD 6.8 million (2022: BD 6.8 million) is outstanding against this facility out of which BD 0.3 million (2022: BD nil) is classified under current liabilities being due within the next 12 months;
- (iii) Long term loan facility with a total available amount of BD 12.8 million (2022: BD 12.8 million) has been obtained by a Beyon entity to fund the company's license fees. The facility bears an interest rate of PLR – 2.125% per annum and is due to be settled by 2034. As at 31 March 2023, a total amount of BD 12.6 million (2022: BD 12.7 million) is outstanding against this facility of which BD 0.5 million (2022: BD nil) is classified under current liabilities being due within the next 12 months;
- (iv) Long term loan facility with a total available amount of BD 8.0 million (2022: BD 8.0 million) has been obtained by a Beyon entity to fund the company's share in a joint venture. The facility bears an interest rate of PLR - 1.75% per annum and is due to be settled by 2034. As at 31 March 2023, a total amount of BD 8.0 million (2022: BD 8.0 million) is outstanding against this facility of which BD 0.3 million (2022: BD nil) is classified under current liabilities being due within the next 12 months;
- (v) Long term loan facility with a total available amount of BD 3.0 million (2022: BD 3.0 million) has been obtained by a Beyon entity in 2021 to finance the deferred capital payments. The facility bears an interest rate of 3 months LIBOR + 4.75% per annum and is due to be settled by May 2024. As at 31 March 2023, a total amount of BD 1.2 million (2022: BD 1.6 million) is outstanding against this facility of which BD 1.2 million (2022: BD 1.2 million) is classified under current liabilities being due within the next 12 months.
- (vi) Long term loan facility with a total available amount of BD 6.0 million (2022: BD 6.0 million) has been obtained by a Beyon entity in 2022. The facility bears an interest rate of 3 months Term SOFR + 6.57% per annum. As at 31 March 2023, a total amount of BD 6.0 million (2022: BD 5.0 million) is outstanding against this facility of which full amount is classified under non-current liabilities being due from April 2025.
- (vii) Long term loan facility with a total available amount of BD 3.4 million (2022: BD 3.4 million) has been obtained by a Beyon entity in 2022. The facility bears an interest rate of 3 months SOFR + 6.57% per annum. As at 31 March 2023, a total amount of BD 3.4 million (2022: BD 2.1 million) is outstanding against this facility of which full amount is classified under non-current liabilities being due from April 2025.
- (viii) The import loan facility with a total available amount of BD 4.5 million (2022: BD 4.5 million) is obtained by a Beyon entity to support its capital expenditure requirements. The interest rates on this facility is at the rate of 3 months SOFR+5% per annum and is due to be settled within 365 days from the amounts drawn down. The amount drawn at the balance sheet date amounted to BD 3.5 million (2022: BD 3.4 million) and is classified under current liabilities.
- (ix) Long term loan facility with a total available amount of BD 169.7 million (2022: 169.7 million), of which BD 169.7 million is outstanding as of 31 March 2023 (2022: BD 169.7 million) was obtained by the Company to fund its bond repayment in May 2020. The facility bears an interest rate of Libor + 1.80% per annum and is due to be settled by one bullet payment in 2025.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2023**

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**5 REVENUE**

**a) Disaggregation of revenue**

**Revenue by major products**

	<b>Three months ended 31 March</b>	
	<b>2023 (reviewed)</b>	<b>2022 (reviewed)</b>
Mobile telecommunication services	49,108	46,694
Data communication circuits	16,119	16,170
Fixed broadband	19,330	19,228
Fixed line telecommunication services	4,683	5,093
Wholesale services	7,783	5,951
Others	6,521	5,337
	<b>103,544</b>	<b>98,473</b>

**Revenue by timing of recognition**

	<b>Three months ended 31 March</b>	
	<b>2023 (reviewed)</b>	<b>2022 (reviewed)</b>
Products transferred at a point in time (equipment revenue)	8,546	7,485
Products and services transferred over time (revenue from provision of services)	94,998	90,988
	<b>103,544</b>	<b>98,473</b>

For a further break down of total revenue by the Group's key geographical segments, please refer to note 12.

**b) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	<b>31 March 2023 (reviewed)</b>	<b>31 December 2022 (audited)</b>
Receivables and contract assets (included in trade and other receivables)	123,176	117,339
Contract liabilities	17,803	19,459

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised over time as the related performance obligations are fulfilled within 1 year.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2023**

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**6 EARNINGS PER SHARE**

	<b>Three months ended 31 March</b>	
	<b>2023 (reviewed)</b>	<b>2022 (reviewed)</b>
Profit for the period attributable to equity holders of the Company	18,045	17,903
Weighted average number of shares outstanding during the period (million)	1,652	1,652
<b>Basic earnings per share (Fils)</b>	<b>10.9</b>	<b>10.8</b>

**7 COMMITMENTS AND CONTINGENCIES**

**a) Capital Commitments**

The Group has capital commitments at 31 March 2023 amounting to BD 53.3 million (31 December 2022: BD 27.3 million).

**b) Guarantees**

- (i) As at 31 March 2023, the Group's banks have issued guarantees, amounting to BD 4.5 million (31 December 2022: BD 6.7 million) and letters of credit amounting to BD 13.8 million (31 December 2022: BD 16.5 million).
- (ii) The Group has furnished a comfort letter for BD 1.9 million (31 December 2022: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

**c) Staff housing loans**

The Company offers loan assistance to its Bahraini employees for the acquisition of residential properties. The loans are funded through a local commercial bank and secured by a guarantee issued by the Company. The policy of providing staff housing loan guarantees was discontinued in 2007. The Company bears 75% (2022: 75%) of the loan interest. At 31 March 2023 the Company had an outstanding guarantee of BD 0.2 million (31 December 2022: BD 0.2 million) towards housing loans to staff.

**d) Other contingencies**

In the normal course of business, legal cases are filed by staff and counterparties against the Group and also by the Group against their suppliers/ vendors. The Group's legal department engages with in-house legal counsel and external legal counsel depending on the nature of the cases. A periodic assessment is carried out to determine the likely outcome of these legal cases and is reported to the senior management and the Board of Directors. In addition to this, due to the complexity of operations, the Group also received notification for penalty, deemed breach of relevant telecommunication regulations and other relevant legislations in the given jurisdiction where the Group operates.

As of the year end, the Group is defending these legal cases including penalties. Based on the advice of the Group's legal counsel including external legal counsel, as applicable, sufficient appropriate provisions have been recorded. No further detailed disclosures regarding contingent liabilities arising from any such claims are being made by the Group as the Directors believe that such disclosures may be prejudicial to the Group's legal position.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2023**

BD'000

**8 FAIR VALUE**

The Group's financial assets and financial liabilities are measured at amortised cost except for certain investments, which are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants and the measurement date.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

*Fair value hierarchy*

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

- (i) Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- (iii) Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured as at 31 March 2023, by the level in the fair value hierarchy into which the fair value measurement is categorized:

**31 March 2023**

**Financial assets at fair value through profit and loss (FVTPL)**

Investments – equity securities

**Financial assets at fair value through OCI (FVOCI)**

Investments – debt and equity securities

Fair value				Total carrying amount
Level 1	Level 2	Level 3	Total fair value	
-	-	11	11	11
11,325	197	5,522	17,044	17,044

**31 December 2022**

**Financial assets at fair value through Profit and Loss (FVTPL)**

Investments - equity securities

**Financial assets at fair value through OCI**

Investments - debt and equity securities

Fair value				Total carrying amount
Level 1	Level 2	Level 3	Total fair value	
-	-	11	11	11
9,729	148	5,465	15,342	15,342

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the three months ended 31 March 2023**

BD'000

8. *FAIR VALUE (continued)*

The bonds have been fair valued using its quoted prices. Other loans and borrowings are repriced at frequent intervals and hence the carrying value is a reasonable approximation of its fair value. The Group has not disclosed the fair value for financial instruments such as short-term trade and other receivables, trade and other payables and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values.

**9 RELATED PARTIES**

**a) Transactions with related parties**

The Company qualifies as a government related entity under the definitions provided in the Revised IAS 24. The Group provides telecommunication services to various Government and semi government organisation and companies in the Kingdom of Bahrain. The Group also avails various services from Government and semi government organisation and companies in the Kingdom of Bahrain. Such transactions are in the normal course of business and are not considered to be individually significant in terms of size.

**b) Transactions with key management personnel**

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. During the period, the Group paid the following compensation to the key management personnel.

<b>Three months ended 31 March</b>	
<b>2023 (reviewed)</b>	<b>2022 (reviewed)</b>
Short-term employee benefits	381
Post-employment benefits	23
<b>Total key management personnel compensation</b>	<b>403</b>
<b>Directors remuneration (including sitting fees)</b>	<b>176</b>
	333
	8
	<b>341</b>
	161

**10 APPROPRIATIONS**

The shareholders of the Company in their meeting held in March 2023 approved a final cash dividend of BD 31.45 million and donations of BD 1.98 million in respect of 2022, which were effected during the quarter.

**11 COMPARATIVES**

The comparative figures have been regrouped, where necessary, in order to confirm to the current period's presentation. Such regrouping did not affect the previously reported profit, comprehensive income for the period or total equity.

**12. SEGMENT INFORMATION***Operating segments*

The Group's operations are segregated between Bahrain, Jordan, Maldives, Sure Group and others. Others include Yemen and other group operations. Segment information disclosed for the three months ended 31 March 2023 is as follows:

Segment revenue and profit	For the three months period ended 31 March 2023 (reviewed)						
				Sure Group		Inter - segment elimination	
	Bahrain	Jordan	Maldives		Others		Total
Revenue (external customers)	49,853	24,020	15,987	13,684	-	-	103,544
Inter-segment revenues	6	109	-	-	-	(115)	-
Profit/(loss)	11,195	2,133	4,465	2,490	-	-	20,283

For the three months period ended 31 March 2022 (reviewed)						
Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
45,547	23,259	15,677	13,990	-	-	98,473
18	104	-	-	-	(122)	-
11,911	980	5,220	2,328	(3)		20,436

Segment assets & liabilities	As at 31 March 2023 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	
	Non-current assets	234,352	284,013	99,879	69,961	6,662	(11,043)	683,824
	Current assets	261,643	65,799	77,716	25,864	1,155	(14,510)	417,667
	Total assets	495,995	349,812	177,595	95,825	7,817	(25,553)	1,101,491
	Non-current liabilities	182,014	137,245	22,787	12,497	-	(26,681)	327,862
	Current liabilities	146,629	63,903	46,070	13,646	108	(23,625)	246,731
	Total liabilities	328,643	201,148	68,857	26,143	108	(50,306)	574,593
	Net assets	167,352	148,664	108,738	69,682	7,709	24,753	526,898

As at 31 December 2022 (audited)						
Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
230,024	286,005	99,894	67,628	6,726	(10,868)	679,409
271,765	62,222	75,117	25,135	1,165	(13,652)	421,752
501,789	348,227	175,011	92,763	7,891	(24,520)	1,101,161
181,358	138,324	21,154	12,295	-	(25,225)	327,906
132,646	63,085	41,054	14,688	112	(20,652)	230,933
314,004	201,409	62,208	26,983	112	(45,877)	558,839
187,785	146,818	112,803	65,780	7,779	21,357	542,322