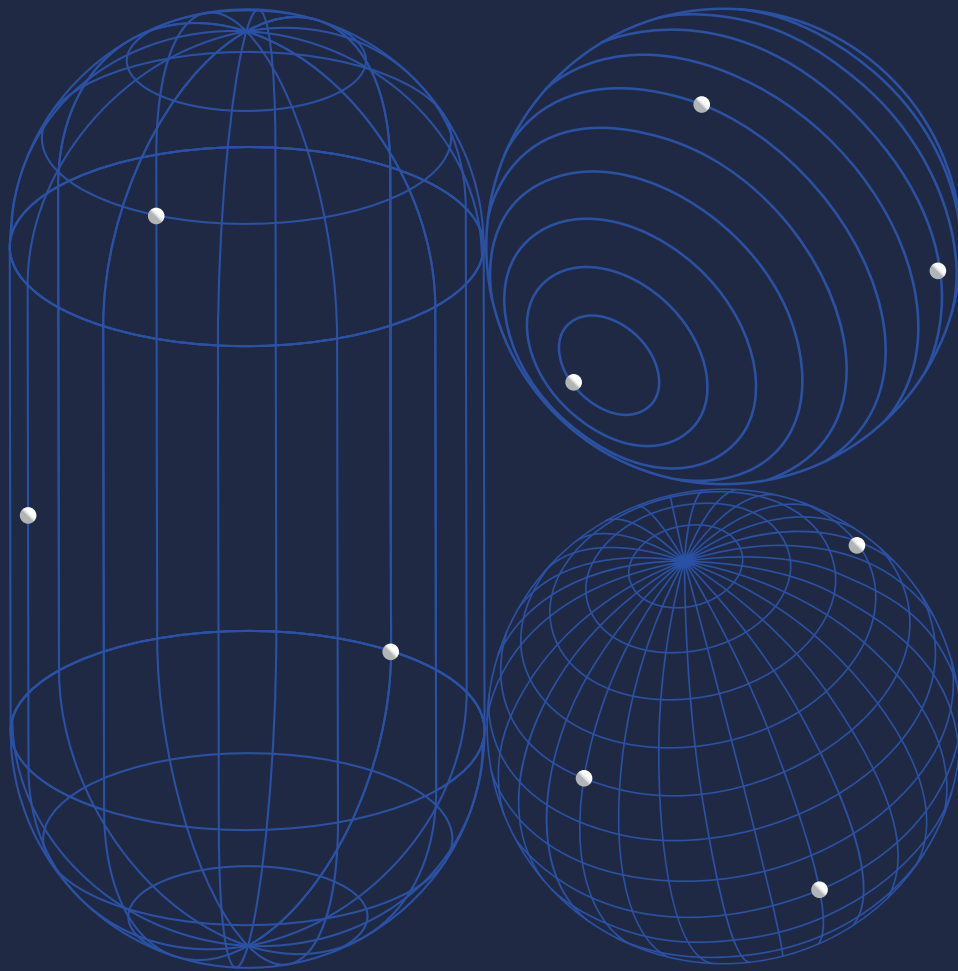


2023



Annual Report



Live the Difference



Contact:

Noor Bukamal
Director Corporate Governance & Board Secretary
P.O. Box 14,
Manama, Kingdom of Bahrain
Tel: +973 17884485

GBS@beyon.com
www.beyon.com

Office of the Registrar:

Bahrain Clear, Bahrain Financial Harbour
Harbour Mall – 4th floor,
P.O. Box 3203,
Manama, Kingdom of Bahrain
Tel: +973 17108833 Fax: +973 17228061

Registry@bahrainclear.com
www.bahrainbourse.com



Late Amir
His Highness
Shaikh Isa bin Salman Al Khalifa



His Majesty
King Hamad bin Isa
Al Khalifa

The King of
the Kingdom of Bahrain



His Royal Highness
Prince Salman bin Hamad
Al Khalifa

The Crown Prince and Prime Minister
of the Kingdom of Bahrain



Who we are

A global technology group born in the Kingdom of Bahrain to reach out to the region and beyond. Bringing technology closer to people and businesses with best in class connectivity and digital solutions.



Beyon.

Live the Difference.





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Beyon

Our Strategy

We are focused on creating an international thriving and diverse digital growth portfolio that spans across a variety of sectors including financial services, ICT solutions & cybersecurity, gov-tech, ed-tech, and much more.

At the same time, we will continue to invest in our telco connectivity businesses to connect the world, provide innovative solutions to our customers and offer the best-in-class customer experiences. With these priorities – digital growth and connectivity – we are proud to contribute to Bahrain’s Vision 2030.

Our Purpose

Accelerate the digital future for better lives and prosperity.

Our Values

Think beyon limits
Deliver beyon excellence
Care beyon now

Beyon at a glance

1864

Bahrain's first international telecommunications link established, beginning a rich heritage of providing innovative services for people in Bahrain, keeping everyone connected to each other and to the world.

1981

Batelco (Bahrain Telecommunications Company) established, with many milestone achievements over the years, including bringing modern technologies to Bahrain, such as mobile and internet services.

2022

Beyon introduced as the parent company of Batelco, Beyon Money, Beyon Cyber, Beyon Solutions, Beyon Connect, and international investments, beginning a new era in our journey to be a global technology group.

Headquartered in

Manama, Bahrain

We operate across

12

International geographies:

Jordan
Maldives
Guernsey
Jersey
Isle of Man
Diego Garcia
St. Helena
Ascension Island
Falkland Islands
Saudi Arabia
Yemen
Egypt



Beyon is listed on the Bahrain Bourse



Annual Highlights

EBITDA Margin

40%

2022 : 41%

Net Profit Margin

17%

2022 : 17%

Net Profit

BD72.0m

2022 : BD70.3m

Revenue
(2022 : BD402.8m)

 **BD424.9m**

EBITDA
(2022 : BD165.4m)

 **BD171.1m**

Operating Profit
(2022 : BD93.6m)

 **BD104.0m**

EPS
(2022 : 42.5 fils)

 **43.6 fils**

Net Assets
(2022 : BD542.3m)

 **BD582.5m**

Cash and Bank Balance
(2022 : BD253.8m)

 **BD235.8m**



Board of Directors



Shaikh Abdulla bin Khalifa Al Khalifa
Chairman



Shaikh Ali bin Khalifa Al Khalifa
Deputy Chairman



Mr. Abdulla Abdulrazak Bukhowa
Director



Mr. Ahmad Mazhar
Director



Mr. Ahmed Abdulwahed Abdulrahman
Director



Dr. Daniel Ritz
Director



Ms. Fatema Ghazi Alarayedh
Director



Mr. Khalid Hussain Taqi
Director



Mr. Saleh Romeih
Director



Brig. Gen Waleed Abdulrahman Bin Hindi
Director

Beyon Digital

Playing a pivotal role in Beyon's transformation into a global technology group

We are focussed on establishing new digital entities, developing groundbreaking products and services, expanding into new geographies, and delivering our wide portfolio across the Middle East and internationally.

 **BEYON Money**

 **BEYON Money**
Business

 **BEYON Cyber**

 **BEYON Connect**

 **BEYON Solutions**

Beyon Money

Launched in UAE

Beyon Cyber

Fastest growing
cyber security
company in M.E.
by Deloitte

Beyon Solutions

Acquisition of
Insomea

Beyon Connect

Joint Venture
'Bareedi'
with Egypt Post



Chairman's statement



“Beyon has an ambitious strategy to grow outside of Bahrain through strategic acquisitions and partnerships and by taking our digital brands into new regional and international markets”



Shaikh Abdulla bin Khalifa Al Khalifa
Chairman of the Board

On behalf of the Board of Directors, it gives me great pleasure to present the 42nd Annual Report of the Bahrain Telecommunications Company BSC (Beyon) and its subsidiaries and affiliates, for the year ended 31st December 2023.

Beyon achieved a number of milestone achievements during 2023, accomplished in line with its continuous transformation journey with a vision to be a digital powerhouse recognised in the region and internationally.

Beyon ended 2023 with strong financial results with a 2% year-on-year increase in net profit attributable to equity holders of BD72.0M (US\$191.0M). Gross revenues for the year of BD424.9M (US\$1,127.1M) are 5% above 2022, while EBITDA of BD171.1M (US\$453.8M) increased by 3% YoY with a healthy margin of 40%. Operating profit in 2023 stood at BD104.0M (US\$275.9M), 11% above the prior year.

Beyon’s balance sheet remains strong with total assets of BD1,165.4M (US\$3,091.2M) and net assets of BD582.5M (US\$1,545.1M) as of 31 December 2023. The Company ended

the year with substantial cash and bank balances of BD235.8M (US\$625.5M) and a robust Net Debt to EBITDA ratio of 0.7x.

Proposed Appropriations

Based on the financial results, the Board of Directors has recommended for the approval of shareholders, the following appropriations for the year 2023.

BD millions	2023	2022
Final cash dividends proposed	31.55	31.60
Exceptional one-time cash dividend	10.80	-
Interim cash dividends paid	22.35	22.33
Donations	3.60	1.98
Transfer to statutory reserve	-	-

Beyon is committed to delivering excellent returns to its shareholders and accordingly, the Board of Directors has recommended a full year cash dividend of BD64.7M (US\$171.6M), at a value of 39.0 fils per share which includes the regular dividend of 32.5 fils per share plus an additional special dividend of 6.5 fils per share, to be agreed at the Annual General Meeting. The 2023 interim dividend of 13.5 fils per share was already paid during the third quarter of 2023 with the remaining 25.5 fils to be paid following the AGM in March 2024.

Board remuneration

The total Board remuneration received during the year 2023 amounted to BD 586,611, this includes the annual board remuneration of the Company, its subsidiaries, sitting fees and other amounts paid to the Board of Directors. The details of the Board remuneration are illustrated in the table on page 77 of this report as part of the consolidated financial statements.

Executive Management Remuneration

The total remuneration paid to the 6 highest paid executive management in the Company during 2023 is BD1,731,971, illustrated in the table on page 78 of this report as part of the consolidated financial statements.

While Beyon continues on its transformation journey, we are still achieving excellent results reflected by a 5% increase in revenues year over year and improved Earnings per Share of 43.6 fils for the year compared to an EPS of 42.5 for 2022. The Board of Directors is pleased with the solid performance which emphasizes the importance placed on meeting shareholders' expectations.

Beyon has an ambitious strategy to grow outside of Bahrain through strategic acquisitions and partnerships and by taking our digital brands into new regional and international markets. The Board of Directors is proud of the good progress achieved which

includes acquisitions by Beyon Cyber and Beyon Solutions, while Beyon Connect established a joint venture in partnership with Egypt Post, and Beyon Money entered the UAE market.

To support the acceleration of Bahrain's digital transformation, Beyon undertook its biggest investment ever in advanced data centres and subsea cables, including becoming a consortium partner in the SMW6 cable. These achievements are possible due to the establishment of an ecosystem that encourages the growth of the digital sector and the economic prosperity in the Kingdom of Bahrain under the leadership of His Majesty King Hamad bin Isa Al Khalifa and with the support of His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister.

Whilst we engage in expansion and development of new services, sustainability continues to be important, and we remain committed to supporting the Kingdom's vision of achieving zero carbon neutrality by 2060. In line with this, we were pleased to announce the completion of the second phase of Beyon Solar Park, and our Data Centre at Beyon Data Oasis became the first in Bahrain to rely entirely on clean energy generated from our Solar Park.



“ To support the acceleration of Bahrain’s digital transformation, Beyon undertook its biggest investment ever in advanced data centres and subsea cables.”

On behalf of my colleagues on the Board, I extend appreciation to our shareholders for their trust. My personal thanks to my colleagues on the Board for their support during a very busy year as Beyon continues to elevate its growth and development plans. I also offer grateful thanks to all members of the Beyon family for their contributions leading to a strong performance for 2023.

Looking ahead we will continue our journey, focusing on implementing the next steps in our transformation strategy. The success of the past year gives us confidence that we are on the right path and that we have created a solid platform to achieve our goals.

Auditors

The Board of Directors will recommend the re-appointment of KPMG Fakhro as Beyon’s auditors for the financial year ending 31st December 2024.

Abdulla bin Khalifa Al Khalifa

Chairman of the Board
Bahrain Telecommunications Company
BSC

February 27th, 2024



Beyon Management



* Maitham Abdulla held the role of Batelco Chief Operating Officer until February 29, 2024
* Shaikh Mohamed bin Khalifa Al Khalifa held the role of Chief Digital Growth Officer until February 29, 2024
* Isa Alsabea held the role of Director of Mergers and Acquisitions until February 29, 2024

1. **Mikkel Vinter**
CEO
2. **Reem Altajer**
Chief Financial Officer
3. **Maitham Abdulla**
CEO Batelco*
4. **Shaikh Mohamed bin Khalifa Al Khalifa**
CEO Beyon Digital Growth*
5. **Shaikh Bader bin Rashid Al Khalifa**
Chief Communications and Sustainability Officer
6. **Buddhadeb Samanta**
Chief Internal Audit
7. **Christopher Hild**
Chief Strategy Officer
8. **Faisal Al Jahma**
Chief Human Resources Officer
9. **Isa Alsabea**
Chief Investment Officer*
10. **Miguel-Angel Fuentes**
Acting Chief Legal Officer
11. **Saurabh Gupta**
Chief Technology Officer



* Faisal Qamhiyah served as Beyon CFO until 9 May 2023 and is now the CEO of Umniah



Batelco Management

- 1. Maitham Abdulla**
CEO Batelco*
- 2. Abdulla Danesh**
General Manager Enterprise
- 3. Aseel Mattar**
General Manager Consumer
- 4. Hani Askar**
Chief Global Business Officer
- 5. Rashid Mohamed**
General Manager Technology



* Maitham Abdulla held the role of Batelco Chief Operating Officer until February 29, 2024



Digital Growth Management

- 1. Shaikh Mohamed bin Khalifa Al Khalifa**
CEO Beyon Digital Growth*
- 2. Christian Rasmussen**
CEO Beyon Connect
- 3. Dr. Shaikh Khalid bin Daij Al Khalifa**
CEO Beyon Cyber
- 4. Nicholas Toon**
CEO Beyon Solutions
- 5. Roberto Mancone**
CEO Beyon Money



* Nicholas Toon served as Beyon Solutions Group COO until February 29th, 2024

* Shaikh Mohamed bin Khalifa Al Khalifa held the role of Chief Digital Growth Officer until February 29, 2024



CEO Message



“During 2023, Beyon continued with ambitious regional digital expansion plans via organic growth plus strategic partnerships and acquisitions.”



Mikkel Vinter
CEO Beyon

We are proud of the excellent progress made during 2023 as we pushed forward with our plans for transforming the company, with many notable achievements that are taking us closer to our vision of becoming a global technology group..

Investing in Future Proof Connectivity

We recognise the importance of developing connectivity that will enable us to strengthen our core services and support regional and international reach for the future, and to that end Batelco joined a consortium of other leading telecom companies to build the SEA-ME-WE 6 subsea cable linking Asia, the Middle East and Europe. Batelco also committed to building the Al Khaleej subsea cable, which will connect Bahrain to other countries across the Middle East.

Our significant investment in new infrastructure and numerous customer centric initiatives during 2023 reflects the immense importance we place on not only meeting the requirements of customers but also in elevating their experience with us, and this played

a key role in maintaining Batelco's leadership position in Bahrain's telecoms sector. Read more about Batelco's achievements on pages 34 and 37.

Growth Across our Digital Companies

During 2023, Beyon continued with ambitious regional digital expansion plans via organic growth plus strategic partnerships and acquisitions. In line with this, Beyon Money launched its innovative customer-focused financial services in the UAE, taking a range of its value-added services to this important regional market. Beyon Connect's joint venture with Egypt Post to establish the 'Bareedi' platform in Egypt made significant progress, and we look forward to the service being launched in 2024.

Furthermore, we were pleased to boost our digital portfolio through carefully selected acquisitions, adding DTS Solution, a leading regional Cyber Security Advisory firm, and Insomea, a leading regional cloud IT solution consultancy and managed services provider, specialized in Microsoft technology. Read more about Beyon's Digital Companies' achievements on pages 38 to 41.

Important Milestones Achieved by our Overseas Operations

Beyon's overseas operations span a wide geographic reach and our subsidiaries Umniah, Dhiraagu and Sure achieved numerous accomplishments during 2023, focussed on the development of 5G services and fiber broadband, supporting their diverse customer bases.



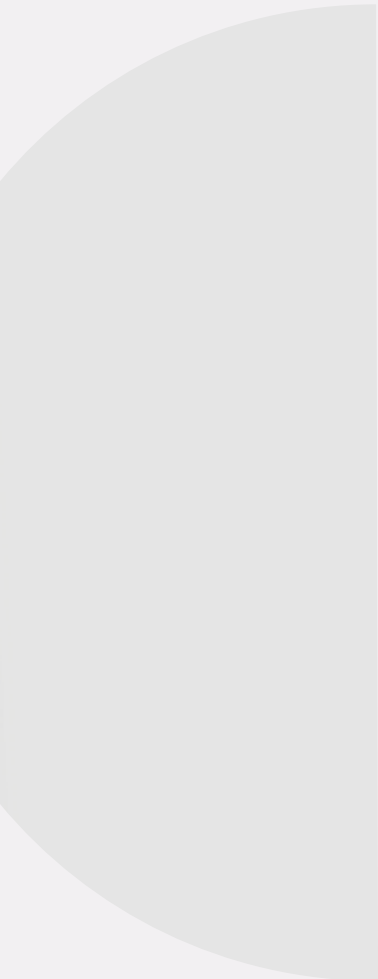
“ The many milestone achievements of 2023 are a testament to our ability to execute and advance our major strategic projects.”

Umniah significantly advanced the telecommunications landscape in Jordan with the launch of 5G services, becoming the country's first operator to do so, and throughout the year, rapidly expanded its 5G network across Jordan. Umniah also made good progress towards expanding its Fiber service via the Fibertech JV, which now reaches over 1.4 million homes and businesses.

In the Maldives, Dhiraagu's commitment to technological advancement was reflected by the delivery of strengthened 5G coverage in the greater Male area, while fiber broadband services were expanded and now reach 94% of households nationwide. Furthermore, investment in new infrastructure was high on Dhiraagu's agenda and included the establishment of a Tier

III certification-ready data centre at the Dhiraagu Head Office, and a new Security Operations Centre, in line with the Company's aims to deliver advanced services to its customers.

In the Channel Islands, Sure's ambition to advance connectivity across its island communities was demonstrated by the partnership with the States of Guernsey aiming to connect fibre to every property on the island by the end of 2026. Meanwhile, in the South Atlantic, Sure has achieved the major milestone of connecting St Helena to the Equiano subsea fibre cable system, enabling Sure to offer transformational improvements in broadband services for its local customers. Read more about the international operations on pages 44 to 50.



4th Year as a Great Place to Work

I take particular pride in the Beyon team that work diligently to achieve our milestones, and we are focusing on our team members, which played a crucial role in Beyon being recognised for the 4th consecutive year as a Great Workplace by Great Place to Work®, and additionally being selected for the 2023 Best Workplaces in Asia List, accolades that we are extremely proud of.

Supporting Environmental & Community Across the Group

Across all our operations Beyon continues to develop sustainability programmes aimed at reducing any impact we have on our local environments. As a result of our efforts, following the completion of the second phase of Beyon Solar Park, our data centre at Beyon Data Oasis is now powered entirely on energy generated by the solar park, and in Jordan up to 45% of Umniah’s total power consumption is now coming from renewable energy resources.

As part of our commitment to fostering education and supporting the development of tomorrow’s industry leaders, Dhiraagu held the ‘Girls to Code’ programme, aiming to address the gender gap in technology and inspire women to join technology fields by teaching them how to code.

Appreciation for Trust and Support

I take this opportunity to extend appreciation to Beyon Chairman Shaikh Abdulla bin Khalifa Al Khalifa and members of the Board of Directors for their guidance and invaluable support. On behalf of Beyon’s team, I offer

thanks to our customers for continuing to choose our products and services. My personal thanks to the management teams and all team members across the Beyon companies for their efforts which helped to ensure a successful year.

Looking Forward to a Promising Year Ahead

The many milestone achievements of 2023 are a testament to our ability to execute and advance our major strategic projects. Based on this strong position, we have exciting plans for the year ahead and I look forward to working alongside Beyon’s teams across the group to add another successful year to the Beyon transformation journey.

Mikkel Vinter
Chief Executive Officer

Beyon Telecom

Investing to build future proof communications connectivity to support digital acceleration.

We are committed to strengthening our core services to enable us to deliver best-in-class digital solutions, and ensure a seamless and elevated experience for our customers.

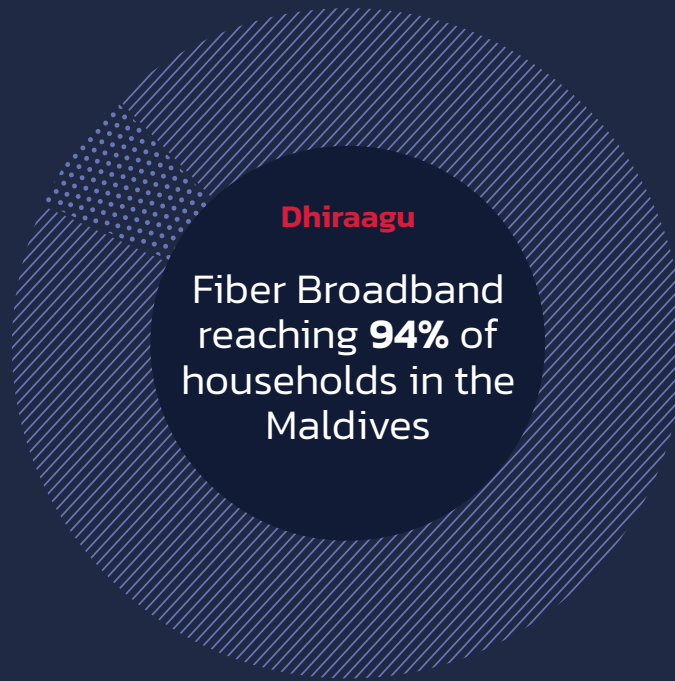


Batelco

Bahrain's **#1 Network** for
the 3rd successive year

Umniah

First to launch **5G** in
Jordan



Sure

Market-leading Fiber
Broadband speeds of **2 Gbps**
in Channel Islands



Human Resource Report

Elevating the company culture through diverse initiatives

Training & Development, reward programmes and engagement opportunities were given prominence during 2023 as part of Beyon’s plans, which place the needs and well-being of team members at the heart of everything. The company’s initiatives led to a global accolade with Beyon being included on the Best Workplaces in Asia list as a Great Place to Work.

Learning & Development



Average Training Hours Per Team Member

34

Total Training Hours

32,779

Beyon Executive Education Programme

A first of its kind executive training programme tailored to meet Beyon’s continual progression as a leading technology company was carried out in collaboration with Strathclyde Business School, one of the UK’s leading technology universities, and delivered by the University’s seasoned faculty members. Twenty-two team members from Beyon’s Digital companies, Batelco, and Beyon’s international sister companies, Dhiraagu and Umniah, completed the programme which took place at the Beyon Campus, Hamala, Bahrain. The executive programme was designed to equip management with the skills and knowledge needed to develop and implement strong strategies that can support Beyon’s ambitious plans, and enable Beyon to seize the opportunities driven by the changing trends in the technology industry.

Beyon Graduate Trainee Programme

Beyon continued to play a prominent role in developing young Bahrainis through its graduate trainee programme with the latest group of talented young graduates completing a year-long programme based on their degree specializations. During the year they were immersed in the world of technology and provided with practical and technical training, enabling them to develop a range of skills designed to kick start their careers in the technology sector.

Reflecting the quality of the training offered and the dedication of the young graduates in working hard to achieve their assigned goals, 100% of the 2022-2023 graduates secured roles across the Beyon companies. The Graduate Trainee programme highlights Beyon’s commitment to the development of Bahrain’s brightest graduates,



Beyon Graduate Trainees



Beyon Chairman, CEO and CHRO with the top 3 Chairman Award winners



Average Age of new joiners in 2023:

27 years

Average Years of Service to the Company:

8 years

Average Age of Employees:

36 years

Chairman’s Award and Beyon Ambassadors Programme

Beyon continued to recognise high performing team members through its ambassador programme, with one person selected and rewarded each month of the year. Those individuals singled out, exhibit outstanding performance, consistently going above and beyond in their daily tasks to positively impact the company's success. Moreover, they serve as great examples to their peers.

Beyon Chairman Presents Annual Awards

The Chairman’s Award serves to applaud and reward team members who have not only achieved remarkable accomplishments but also consistently embodied Beyon’s values. Following a rigorous process of assessments and interviews, three individuals were chosen from the 12 Beyon Ambassadors, based on their exceptional contributions to the company. The top three were presented with trophies and cash prizes by Beyon Chairman Shaikh Abdulla bin Khalifa Al Khalifa. The winners for 2023 are in 1st place Beyon Cyber Sr. Security Architect Isa Almannai, Beyon Acting Head Business Planning & Reporting Ali Alshakhoori in 2nd place and Beyon Sustainability Specialist, Lulwa Almerbati in 3rd place.



Engagement with Team Members

Beyon engages with team members through various platforms such as open discussions, workshops and company events, including the following in 2023:-

Town Hall: Beyon’s annual Town Hall brings all Bahrain based team members together for an inspiring session where Beyon CEO and members of the executive team highlight the achievements of the previous year and outline the new strategy for the year ahead.

Bmajlis: B Majlis is a series of informal sessions that provide team members with the opportunity to openly discuss a variety of topics with the HR team. During 2023, a number of sessions took place covering a variety of themes such as Culture Initiatives, Future Beyon, Customer Experience and AI Technologies, with more than 65 ideas generated. and 28 ideas being reviewed for implementation in 2024 .

Beyon Values Workshop: Seven workshops were delivered during 2023 for team members who completed the Beyon Values Path in LinkedIn, helping to enrich the participants general understanding about Beyon’s values and ensuring the values are embedded in their day-to-day workflow.

Ghabga: The annual Ghabga held during Ramadan, with all Bahrain based Beyon team members invited, is one of the highlights on the company’s yearly calendar. The event gives team members the opportunity to socialize outside of the workplace in one of Bahrain’s finest hotels.

Family Fun Day: Beyon’s second annual Family Fun Day was a huge success bringing together hundreds of team members and their families to enjoy a wonderful day of entertainment which included bouncy castles, a climbing wall, digital game zone, carnival games, science show, quizzes and a raffle. In a post event survey, attendees reported 88% satisfaction rate.

Best Workplaces in Asia, by Great Place To Work®

Beyon was included in the 2023 Best Workplaces in Asia List, by Great Place To Work®, the global authority on workplace culture. Beyon was ranked 15th in the top performing 70 large enterprises on the list, which featured 200 organizations of all sizes that were chosen after surveying over 2 million employees across Asia and the Middle East about their experience in the workplace.

2023 was the third consecutive year that the company achieved high honours for its workplace culture, with Batelco, part of the Beyon Group, being ranked the number one certified organization in the telecommunications sector across the GCC in the Great Place to Work® Institute Middle East lists for 2021 and 2022. Advancing to the continent level and being recognised in the vast Asian category reflects the Company’s successful transformation journey which put the needs of its team members in sharp focus, while also helping to position Beyon as a benchmark for global tech companies.



Sustainability and Social Impact

2023 ESG

One of Beyon's core values is 'Care Beyond Now', encapsulating our unwavering commitment to embed 'care' into the way we operate our businesses and interact with our local communities.

Our dedication is brought to life through strategic initiatives, key partnerships and community engagements, with an investment of over BD2M during 2023 in infrastructure, technologies and community support that fall within the parameters of our ESG pillars and pave the way for a more sustainable and promising future.

Championing Sustainability Initiatives for the Long-term

During 2023 Beyon championed sustainability focused initiatives that support the company's current needs while laying strong foundations for the long-term. Central to the comprehensive plans is clean energy production achieved through investment





in renewable energy projects. In line with this, phase 2 of Beyon Solar Park at Beyon Data Oasis was completed and phase 3 at Beyon's Hamala Data Centre is set to go live by the end of Q1, 2024. Combined, the three phases of the solar park will contribute a total solar generation of 6.1 GWh, which is equivalent to 13% of our total power consumption used in 2023, and will result in an annual carbon footprint reduction of around 4,000 tons annually going forward.

Our commitment extends beyond power generation and keeping our company's automation strategy in mind, we're deploying robots to clean the solar parks. This smart solution not only saves 200,000 liters of water every year but also boosts our solar generation by 14%.

As a result of its sustainability initiatives, Beyon won an Exceptional Products & Services Achievement Award in the Sustainability Programmes Category of the MEA Business Achievement Awards, announced during GITEX 2023 in Dubai.

Beyon's efforts and commitments extend to our subsidiaries as well, where considerable advancements have been made in managing emissions and reducing carbon footprint. Umniah's solar farm has increased its reliance on clean energy, with 45 % of total power consumption coming from renewable energy resources. Dhiraagu has also invested in renewable solar energy with a 1.1 MWp PV Solar system installed in 2023 where 14% of the

Solar Park contributing to power consumption

13%

2023 ESG continues



power consumption was from renewable energy. Dhiraagu anticipates an additional capacity which is expected to provide up to 18% of its electricity consumption during 2024.

Fostering Education for a Brighter Future

By aligning with various leading organisations, Beyon aims to make meaningful contributions that support education, sports and local community endeavours.

Among our significant community investments is Beyon’s 4-Year Scholarship programme which continued for the third year in 2023, carried out in partnership with the American

University of Bahrain (AUBH). This particular initiative is very dear to us as it uplifts deserving Bahraini high school graduates and gives them the opportunity of an international style university education.

We also teamed up again with Brinc MENA, a hands-on Internet of Things (IoT) accelerator to enable Brinc-Batelco IOT Hub to continue offering opportunities for students and aspiring entrepreneurs to access mentorship, product design and development guidance, manufacturing, and also gain exposure to regional and global investors and markets.

Dhiraagu aiming to support electricity consumption

18%



Beyon is steadfast in its support, investment and commitment to programmes and projects that align with our values of Think Beyon Limits, Deliver Beyon Excellence and Care Beyon Now.

Our continued collaboration with INJAZ Bahrain underscores our commitment to nurturing young Bahrainis and preparing them to assume leadership roles in the future. Many Beyon team members volunteer their time to help enrich the learning experience for the programme’s participants across various verticals, including digitalisation. These dedicated Beyon team members play a pivotal role in sharing their expertise, insights, and real-world experiences. Beyon remains dedicated to creating lasting impacts in education, fostering a brighter future for individuals and society at large.

Furthermore, our subsidiaries have always been socially responsible and consistent in providing support to a wide array of community-focused initiatives. Umniah Forsa Project is the largest community project in partnership with Jordan’s Ministry of Education; The project aims to rehabilitate and restore playgrounds in public schools in Jordan.

Dhiraagu held the ‘Girls to Code’ programme in partnership with the NGO Women in Tech Maldives, aiming to address the gender gap in technology and inspire women to join technology fields by teaching them how to code.

Our subsidiary Sure has an established Sure Community Foundation that primarily provides financial support to local registered charities aimed at aiding and assisting local communities for a better future.

Promoting Healthy Lifestyles in our Communities

The sports programmes that Beyon supports annually align with our keenness to promote a healthy and active lifestyle. We recognise the importance of sports not only in enhancing individual health but also in building a sense of community

and camaraderie. During 2023 we collaborated with the Bahrain International Circuit which hosts Batelco Fitness on Track, which welcomes walkers, runners and cyclists to enjoy the wide-open space offered by the F1 track. The IRONMAN 70.3 Middle East Championship Bahrain has become a fixture on Beyon’s calendar, and continues to grow in popularity attracting many Bahrainis of all ages both male and female reflecting the inclusivity of this challenging event. We are proud that our support has helped to solidify Bahrain’s position on the global map as a prime location for IRONMAN competitions.

Our subsidiary Dhiraagu held Dhiraagu Maldives Road Race (DMRR), the largest run in the Maldives. The race is dedicated to raising funds for causes related to children and these funds and contributions have been awarded to partnered NGOs committed to children’s welfare.

Additionally, as part of our commitment to support health initiatives, Beyon donated to the Bahrain Defense Force Hospital to support their aims to improve the quality of health care services, technology and facilities.

Conclusion

Beyon is steadfast in its support, investment and commitment to programmes and projects that align with our values of Think Beyon Limits, Deliver Beyon Excellence and Care Beyon Now. Through collaborative efforts, we aspire to enhance the well-being of the communities we serve and create a lasting and positive legacy for generations to come.



Batelco Report



Maitham Abdulla,
CEO Batelco*

During 2023, major investment in international and regional cables, innovative products and services for consumers & enterprises, special deals and prize-winning campaigns helped ensure a year of achievements and milestones to be proud of at Batelco. Our collective efforts with priority placed on exceeding our customers' expectations helped Batelco to maintain its leading position in Bahrain's highly competitive Telecom market.

Investing in Infrastructure

Batelco committed to major investments in subsea cable systems during 2023 which included our participation in a consortium of leading global telecom companies to build the SEA-ME-WE 6 cable which will connect several countries from Asia to Europe, helping to significantly boost our global infrastructure. A second cable and something we are very proud of is the Al Khaleej cable, as this is our first fully owned subsea cable which will connect Bahrain to other regional countries and be a major asset in addressing the ever-growing data demands and internet traffic requirements in the region.

Supporting our global base of customers is extremely important to us and in line with that Batelco quadrupled its international capacity service with the launch of 'Bwave' to offer wavelength service of 400G capacity high-speed connectivity, the first provider in Bahrain to offer the service, elevating solutions capabilities for customers including



*Maitham Abdulla held the role of Batelco Chief Operating Officer until February 29, 2024

We also continued to invest in our local networks which ensured Batelco was named the Kingdom of Bahrain’s #1 network for a third consecutive year.

wholesalers, hyperscalers, data centre operators and content providers. In another first, Batelco also introduced ‘Mobile Peering’ for members of the Manama IX platform enabling them to securely exchange their global mobile roaming data resulting in a superior roaming experience for their end users.

We also continued to invest in our local networks which ensured Batelco was named the Kingdom of Bahrain’s #1 network for a third consecutive year, through providing the fastest 5G mobile network experience with 100% nationwide coverage, best video streaming and high voice quality.

Best-in-Class Customer Service Contact Centre

Batelco has built a strong reputation for excellent customer service over many years supported by a call centre operating every day of the year, to respond immediately to our customers’ requests for support. We are thrilled to be taking this service to new heights with the introduction of TOTAL CX a new player in the local customer service sector that is catering to not only our

customers but also to organisations in the private and public sector that require multilingual support around the clock, such as government and financial entities, logistical carriers, restaurants and delivery services.

Digitisation of the Customer Journey

In line with Batelco’s commitment to innovation and customer-centricity, game changing digital solutions and digitisation of the customer journey continued to be central themes in 2023.

With a focus on digital transformation in the Enterprise sector, Batelco launched a Business Portal, serving as a digital one-stop-shop to provide customers with an overview of all their services, and allowing them to manage their usage and consumption as well as apply for new services, making the telecom journey more functional and effective for this sector.

We realise that having access to the latest telecom technologies coupled with hassle free convenience, is very important to our customers, so we always strive to be among the first

to deliver and pride ourselves on our quality of service and reliability. Keeping with this trend and setting new industry standards in Bahrain, we were the first telco to open standalone digital shops with three launched during 2023 in prime locations, with more to come. This means that at any time to suit their busy lifestyles, customers can use our digital shops to complete a wide range of their telecom transactions seamlessly and conveniently, in just a few minutes.

In another first in Bahrain, Batelco introduced ‘Instant Activation’ so that mobile customers can obtain a new service entirely remotely following the latest enhancements to the Batelco Mobile App. Through a complete end-to-end digital journey including completing the fingerprint process digitally, customers can instantly activate a Batelco Postpaid, Prepaid or Mobile Broadband service, and get an eSIM within one minute.

Batelco Report continues

Everything we do is with our valued customers in mind, placing their requirements as a top priority

Furthermore, Batelco was the first in Bahrain to enable eSIM technology in BMW vehicles. This followed the signing of a partnership with BMW Middle East to enable eSIM technology for the latest models available in Bahrain in 2023. The milestone achievement also placed us amongst 9 operators worldwide to enable the eSIM service for BMW vehicles. eSIM technology allows a seamless integration between the vehicle and the mobile network, providing the user with connectivity at all times.

As a result of these initiatives for Batelco's Mobile App and its eSIM collaboration with BMW, Batelco received recognition from MEA Business in its annual Technology Achievement Awards. The awards programme highlights organisations for their exceptional innovation, leadership, and excellence in technology in the Middle East and Africa region. Batelco won the Outstanding Sector Leadership and Growth award in the Software category for Batelco's Mobile App while Batelco's collaboration with BMW won the Innovative Collaborations and Partnerships award in the Telecoms category.

Unmatched Prizes and Rewards for our Customers

One of the highlights of the year was the much-anticipated announcement of the winner of Batelco's 'Win your Forever Home' campaign at the beginning of 2023. We saw the joy that the campaign brought to our customers, so we couldn't resist rolling out a new campaign, this time offering a luxurious waterfront villa in one of Diyar Al Muharraq's most prestigious developments, and once again the opportunity was available to all our Home Broadband customers. We know that a win like this can set a family up for life, so we were absolutely thrilled to reveal the winner during a special celebratory event held at Batelco's premium fully digital shop at Marassi Galeria.

During the year, we also introduced Jawaher, a digital loyalty programme to enable our customers to earn points, which can be redeemed for exciting rewards. Jawaher also includes great partner offers with exciting deals and discounts from a wide selection of local shops and restaurants, with this being our special way to reward our customers' loyalty and trust in us.

To help us gain better insight into our customers experience and their perspectives on the Batelco brand, we invited a selected group of customers from various age groups and nationalities to participate in a focus group conducted by our Brand and Marketing teams, with this helping us to enhance our customer communication strategies.

Everything we do is with our valued customers in mind, placing their requirements as a top priority. We appreciate their ongoing trust in us and their loyalty to Batelco's products and services. For the year ahead we already have many exciting plans in place that are designed to elevate their telecom journey with us even higher.





Digital Growth Report



Shaikh Mohamed bin Khalifa Al Khalifa

CEO Beyon Digital Growth*



* Shaikh Mohamed bin Khalifa Al Khalifa held the role of Chief Digital Growth Officer until February 29, 2024

In 2023, our digital entities experienced remarkable growth across every facet of our operations. Revenues doubled, our operations expanded to encompass seven countries, and we successfully completed two strategic acquisitions. Moreover, our product and service portfolio significantly widened.

Our unwavering focus on establishing new digital ventures, introducing groundbreaking products, and penetrating emerging markets of the Middle East, North Africa, and the Asia Pacific regions, underscores the pivotal role the Beyon digital companies are playing in Beyon's transformation into a regional technology powerhouse.

With accelerated drive and passion, each entity has clocked up a long list of achievements and I am proud of the many milestones, that they have accomplished.

Beyon Money

Beyon Money's progress over the past year has been marked by strategic expansion, innovative service introductions, and a strong focus on customer-centric solutions. The company's endeavors have set a new benchmark in the financial services landscape of the Middle East, positioning it as a leader in the fintech domain.

A key milestone in Beyon Money's journey during 2023 was obtaining a Financial Services Permission from the Financial Services Regulatory Authority

With accelerated drive and passion, each entity has clocked up a long list of achievements and I am proud of the many milestones, that they have accomplished.

in the Abu Dhabi Global Market, enabling the launch of the Beyon Money SuperApp in the UAE, showcasing its dedication to revolutionizing the digital financial experience. This initiative marked a crucial step in the Company's regional expansion plans, and has significantly advanced its position in the Middle Eastern financial services sector.

The support of financial authorities in the Kingdom of Bahrain is crucial to our progress and in line with that the Central Bank of Bahrain awarded Beyon Money a Class 2 investment Company license, a significant endorsement that enables the company to introduce a variety of new services. This recognition further cements Beyon Money's position as a frontrunner in the fintech industry. Leading from this, Beyon Money introduced Flexi Invest, an innovative and flexible investment product in partnership with SICO. This product, a first in the MENA region, represents Beyon Money's commitment to offering competitive financial solutions to its customers.

As a result of its delivery of innovative and in demand services, Beyon Money witnessed a sixfold increase in the volume of payments and a tenfold rise in its customer base compared to the previous year. This remarkable growth underscores the effectiveness of Beyon Money's strategic initiatives and the increasing trust of customers in their services.

Beyon Cyber

Beyon Cyber which is building a strong reputation as the leading managed security services provider in Bahrain, has grown at a rate 25 times that of the market year on year. Beyon Cyber's impressive growth can also be attributed to successful acquisitions and alliances, expanding its operations and reach from just Bahrain, to managing projects and operations across seven countries including the UAE, Kuwait, Saudi Arabia, Oman, Jordan, and the Maldives. Beyon Cybers' rapid expansion and performance have not gone unnoticed; it has been recognized as the fastest-growing cybersecurity company in the Middle East by Deloitte,

ranked among the top 3 MSSPs in the region by MSSP Alert, and identified as a 'Major Player for Managed Security Services' by IDC (International Data Corporation).

Beyon Cyber's client portfolio is equally impressive, serving the largest organizations in the Kingdom, including six of the top ten financial institutions. Its acquisition strategy, leading to the successful acquisition of DTS Solution, a leading regional Cyber Security firm, has enabled the addition of reputable regional clientele to the company's roster, such as leading regional banks, educational establishments and airlines.

All these achievements were accomplished within just 24 months of operations, marking just the beginning for Beyon Cyber. Looking to the future, the company is poised to revolutionize its sector with Beyon Cyber Labs, focusing on developing its own technology stack in-house. This move is aimed at enabling Beyon Cyber to compete with the most established global players in the industry, signaling a new era of innovation and growth.

Digital Growth Report continues

At the heart of our Digital entities' growth lies our dynamic and talented workforce. Since our establishment in 2022, our team has expanded exponentially, now boasting over 150 employees

Showcasing Beyon Cyber's commitment to local talent development, a number of Beyon Cyber's security operation centre's team were hired as Bahraini graduates.

Beyon Solutions

Beyon Solutions' accomplishments for 2023 have far exceeded expectations and we are delighted to report a projected year-over-year revenue growth of 180%. This remarkable achievement stems from the dedication and collaboration across the entire team in strengthening client relationships and crafting innovative solutions backed by seamless technical and operational support.

A highlight of the year was Beyon Solutions' announcement at GITEX 2023 to acquire Insomea, a renowned specialist regional Microsoft solutions provider. Insomea's reputation underscores its expertise in areas critical for digital transformation, including Modern Workplace, Cloud migration/ optimization, app modernization, and security across the MENA region. This acquisition is a testament to the quality and ambition of Beyon Solutions, signaling its commitment to expanding services and geographical reach.

As part of Beyon Solutions quest to continuously enhance its service offerings, a Managed Services desk

covering the full scope of the portfolio was launched. This initiative will provide proactive management and support to customers, distinguishing Beyon Solutions in a highly competitive market. This move emphasises a strong commitment to innovation and excellence in serving customers by enabling them to focus on their main business strategy and initiatives.

Looking ahead, Beyon Solutions is setting its sights on several strategic initiatives aimed at establishing centres of excellence across key technology specialisations, broadening its geographical footprint, and forging partnerships with global vendors. These endeavors are designed to enhance service offerings not just in Bahrain but across an expanding market presence. With Data & AI being at the forefront of everyone's mind, at the end of 2023 Beyon Solutions confirmed its partnership with a leading Data specialist to provide transformative data solutions supported by an in-house team, which is an area of development for 2024.

Beyon Connect

A significant highlight of 2023 was the establishment of a Joint Venture between Beyon Connect and the Egyptian National Postal Organization leading to the introduction of 'Bareedi' digital registered mail platform,

furthering Beyon Connect's dedication to revolutionizing postal systems with advanced technology. The establishment of digital post solutions is expected to significantly reduce the volume of physical mail in Egypt which supports the country's 2030 vision with a focus on digital transformation within the postal sector.

Beyon Connect also launched an e-Business communication platform, OneExpress, tailored for the business sector with a special focus on e-Invoicing. This innovative platform, was first introduced in the Kingdom of Saudi Arabia, setting a new standard in meeting the intricate requirements of KSA's Zakat and Tax Authority (ZATCA). Going forward Beyon Connect aims to expand OneExpress across the GCC and Middle East, aligning with the region's accelerated transformation for digital businesses and their communication with clients from the region and globally.

A notable achievement during the past year was Beyon Connect's admission as a gold member of the UPU (Universal Postal Union) Consultative Committee, which aligns with our growth objectives for OneBox, and enables Beyon Connect to contribute to and align with global postal standards. The year also saw Beyon Connect's official acceptance into the World Bank's Govtech Provider Forum.

Furthermore, in line with our continuous journey towards achieving excellence in information security, and reflecting our dedication to upholding and surpassing the highest standards in data security and privacy practices, Beyon Connect successfully renewed its ISO 27001 and ISO 27018 Certifications. Additionally, the deployment of a managed Security Operations Center (SOC) together with Beyon Cyber ensures round-the-clock monitoring and rapid response to any security incidents to give customers added peace of mind.

Moving forward from a solid foundation

At the heart of our Digital entities' growth lies our dynamic and talented workforce. Since our establishment in 2022, our team has expanded exponentially, now boasting over 150 employees. Our vision is to serve as a beacon, drawing in local talent and nurturing them into the next generation of digital leaders. I am proud of the exceptional team performance and take this opportunity to extend appreciation to the Digital Growth team, the CEOs of the digital companies Roberto Mancone, Dr. Shaikh Khalid Al Khalifa, Nicholas Toon and Christian Rasmussen, and all their team members, helping to delivering a year to be proud of.

The year 2023 has been a transformative period for Beyon's digital companies, characterized by significant growth, strategic acquisitions, and a steadfast commitment to innovation and excellence. Our achievements this year have laid a solid foundation for future growth, driven by the dedication and hard work of our team. As we look forward to the opportunities ahead, we remain dedicated to driving digital transformation for our clients and expanding our impact across the MENA region and beyond.





BNET Report



Ahmed Jaber Aldoseri
CEO BNET



At BNET, we contribute to the future of Bahrain's economy. Our national broadband network is far more than cables and connections; it's the foundation for a diversified, tech-driven future. By powering every business and home, we're unlocking unimaginable possibilities for growth and innovation across every sector. This is about more than just connectivity; it's about empowering our nation to reach its full potential.

Building a prosperous future, BNET's strategy bridges the gap between the sixth National Telecommunication Plan (NTP6) and its goal to ensure ubiquitous fiber broadband access to unlock the benefits of improved quality of life through access to advanced, high-capacity digital services.

2023 was a year of extraordinary milestones for BNET, reflecting the unwavering commitment to building a prosperous community where everyone is connected. With remarkable 95.4% coverage, connecting 414,000 inhabited addresses and 60,000 new covered addresses BNET has brought the fiber optic network closer than ever to the very pulse of the Kingdom. But the numbers, while impressive, only tell part of the story.

Starting with a global win, BNET was awarded the "Best Fiber Deployment Award", this comes as a testament to BNET's ongoing commitment to developing its fiber optic services, and relentless pursuit of technological

The road ahead is paved with exciting possibilities. We are poised to push the boundaries of connectivity, explore emerging technologies, and continue nurturing a culture of Innovation.

innovation and infrastructure investment. BNET, the owner and operator of the fiber network, has also joined as a member in the International Telecommunication Standardization Sector (ITU-T). This membership grants BNET access to a dynamic platform where we can collaborate with global experts and shape the future of telecommunications standards.

Moreover, BNET was awarded “Best Application of Premium Home Experience” and “Best Application for All Optical Metro” further underscoring our solid devotion to expanding fiber optic services and technical applications to support the network services in terms of high reliability and adherence to the latest global automation standards in the field of fiber optic network services. These achievements are powerful validations of our vision, our expertise, and the incredible talent driving BNET forward.

Speaking of talent, I am honored to receive an award for our team’s excellence in human resource management by His Highness Shaikh Nasser bin Hamad Al Khalifa, His

Majesty the King’s Representative for Humanitarian Works, and Youth Affairs, this is a true testament to our ongoing commitment to nurturing and empowering environments where every individual can prosper.

The road ahead is paved with exciting possibilities. We are poised to push the boundaries of connectivity, explore emerging technologies, and continue nurturing a culture of Innovation. As we enter 2024, I am confident that BNET, together with its exceptional team and unwavering leadership, will continue to connect communities, exceed expectations, and weave a brighter future for all.

In conclusion, I would like to take this opportunity to extend profound appreciation to BNET’s Chairman of the Board of Directors, His Excellency Shaikh Ali bin Khalifa Al Khalifa, and the members of the Board of Directors for their invaluable guidance and strategic vision which have been instrumental in every milestone we achieved, as well as BNET employees for their dedication that led to the success.



Subsidiaries

Umniah Jordan



Faisal Qamhiyah
CEO



Since its inception in June 2005, Umniah, a subsidiary of the Bahraini Beyon Group, has strategically established itself as a pivotal player within the Jordanian telecommunications sector. The company has consistently demonstrated a steadfast commitment to innovation and service excellence, evidenced by its delivery of high-quality mobile, internet, and enterprise solutions. Umniah's dedication to enhancing connectivity infrastructure is manifest in its expanding B2C and B2B business segments, particularly exemplified by the launch of its 5G services and Fiber offerings.

Advancing Connectivity

In 2023, Umniah significantly advanced the telecommunications landscape with the launch of its 5G services in April, becoming the country's first operator to do so. Following the launch, the company rapidly expanded its 5G network, setting up over 700 sites in key governorates including Amman, Zarqa, Irbid, and Aqaba. This expansion, leveraging Ericsson's 64T64R Massive MIMO technology, focused on densely populated areas, ensuring extensive and reliable coverage. Umniah invested around \$100 million in 5G for 2023, with plans to further its investment over the next five years.

Continuing its pursuit of technological advancement and enhanced user experience across the Kingdom, Umniah has significantly augmented its digital presence. This expansion is marked by a strategic broadening of its Fiber service, now reaching over 1.4 million homes and commercial establishments. The introduction of Fiber to the Room (FTTR) and Gigabit speeds further underscores Umniah's commitment to delivering cutting-edge solutions and unparalleled connectivity.

Continuing its pursuit of technological advancement and enhanced user experience across the Kingdom, Umniah has significantly augmented its digital presence.”

Lastly, Umniah also launched the Voice over Wi-Fi (VoWi-Fi) service, a first in Jordan’s telecommunications market, demonstrating its commitment to offering advanced telecom and internet services. This innovative service enables Umniah subscribers to make local and international calls over any Wi-Fi network, significantly improving call quality and reception in areas with poor or no cellular coverage, such as remote locations, high-rise buildings, and lower floors.

Strategic Partnerships in Enterprise

Throughout 2023, Umniah continued to leverage various global platforms to expand its portfolio of strategic partnerships. This includes a partnership with Huawei to develop customized wired and wireless network solutions, and a ground-breaking agreement with Microsoft focusing on cloud solutions, AI, and 5G network devices. Umniah also launched Cloud ERP in collaboration with CorporateStack, providing a comprehensive cloud software solution for integrated business management.

Meanwhile, the Ministry of Education and the Special Communications Commission has extended the Connectivity Project partnership with Umniah, which was initiated in 2016, for three more years, to establish the necessary infrastructure for integrating technology into the education process, enhancing efficiency across more than

3,500 schools and 112 directorates and administrative buildings. This initiative seeks to improve productivity and offer integrated communication solutions within schools to enhance educational outcomes and prepare students with the skills needed for their future endeavors.

Reimagining Finance with UWallet

2023 saw Umniah’s UWallet charge ahead in digital finance by bringing convenient QR code cash withdrawals and boosting merchant e-payment options and security with the support of partners. UWallet also expanded its financial services and streamlined logistics payments backed by the Central Bank of Jordan. These collaborations solidified UWallet’s role in driving financial inclusion and innovation across Jordan, setting the stage for regional expansion.

Advancing Social Responsibility

Throughout 2023, Umniah maintained its unwavering commitment to social responsibility by undertaking a series of impactful initiatives. Notably, the company completed the rehabilitation of 17 government school playgrounds across Jordan which included 7 playgrounds revamped under the “Forsa” initiative. These playgrounds have positively impacted over 11,400 students and 45,000 local residents, fostering a more vibrant and enriching educational environment.

Umniah’s commitment to the community has received numerous accolades over the years, and 2023 was no exception. Umniah received the Silver Category award for Buildings for Persons with Disabilities, recognizing its efforts to create inclusive and accessible environments. Earlier in the year, Umniah launched the 114-emergency call application for subscribers with hearing impairments, showcasing its dedication to integrating individuals with disabilities and enhancing accessibility.

Reaching People with The 8Log

Launched in 2019, Umniah’s tech blog, The 8Log, has carved a niche in the digital content world. With over 2.8 million views and 1,200 articles published, it’s become a go-to source for engaging tech articles. This success reflects Umniah’s commitment to delivering high-quality, diverse content, and underscores its dedication to expanding its digital reach and fostering wider engagement.

Dhivehi Raajjeyge Gulhun Plc (DHIRAAGU) Maldives



Ismail Rasheed
CEO & Managing Director



As Dhiraagu celebrates its 35th anniversary, the company takes pride in its rich history of providing essential digital and telecommunication services to the Maldives. Since its inception, Dhiraagu has been at the forefront of delivering innovative solutions, fostering digital communities, and, in 2023, the commitment to core values was renewed by integrating sustainable practices across the entire company. The commitment to sustainability goes beyond a mere declaration, representing a fundamental shift in our approach towards Environmental, Social, and Governance (ESG).

In a significant achievement for information security management, Dhiraagu obtained ISO/IEC 27001:2013 certification in 2023. This not only reinforces the security of customers' data but also establishes Dhiraagu's position as a trusted provider of connectivity in line with international standards. Furthermore, the company invested in a Tier III certification-ready data centre at the Dhiraagu Head Office, established a new Security Operations Centre (SOC), and upgraded the existing Network Operations Centre (NOC) to enhance resiliency and provide exceptional service to customers.

Throughout the year, Dhiraagu expanded its high-speed Fibre Broadband network, reaching 94% of national households. Simultaneously, the domestic submarine cable system was upgraded, incorporating four additional segments to bolster network dependability and robustness. The commitment to technological advancements is evident

Throughout the year, Dhiraagu expanded its high-speed Fibre Broadband network, reaching 94% of national households. Simultaneously, the domestic submarine cable system was upgraded, incorporating four additional segments to bolster network dependability and robustness.

in the strengthened 5G coverage in the Greater Male' Area, serving 50% of the population, and the launch of 5G Turbo WiFi plans complementing 5G services.

Responding to the growing demand for security services, Dhiraagu partnered with Beyon Cyber to launch cybersecurity services, conducting awareness sessions for key enterprise customers.

Dhiraagu also provided various network and voice solutions for corporate customers, including the provision and digital set up of the Psychological First Aid Helpline managed by the Ministry of Education.

In 2023, Dhiraagu received notable recognition, including being acknowledged as the 'Maldives' Fastest Mobile Network' by, Ookla® for the second consecutive year. The partnership with EGUARDIAN earned Dhiraagu the title of 'Outstanding Partner of the Year.'

Recognising the susceptibility of the Maldives to climate change, Dhiraagu has proactively implemented substantial measures to secure a sustainable future for the nation. The company places a

paramount focus on safeguarding and preserving the natural environment. With 17% of its energy needs been met through renewable energy, Dhiraagu distinguishes itself as one of the Maldivian enterprises that has embraced renewable energy in its daily operations, showcasing a commitment to ocean conservation and a reduction in carbon footprint. Key Corporate Social Responsibility highlights also include the 14th edition of Dhiraagu Maldives Road Race (DMRR) 2023; the largest and only international run in the Maldives, dedicated towards child protection through which Dhiraagu made significant contributions to 12 partner NGOs who work in the area of supporting and protecting children to help their initiatives and programmes across the country.

Incorporated in the Maldives in 1988 and listed on the Maldives Stock Exchange, Dhiraagu is the leading digital services and telecommunications provider in the Maldives. Beyon acquired 52% shareholding of the company in 2013.

With the strongest digital presence across the Maldives, Dhiraagu has established 100% mobile coverage in the nation along with the largest high-speed fibre broadband network providing service to 94% of national households. In order to provide customers with the most superior service, the company has nine strategically located operation centres with 24/7 customer support channels, as well as the largest distribution and retail network across the country.

Dhiraagu is a signatory to the United Nations Global Compact (UNGC) and upholds its universal principles in the areas of human rights, labour, the environment, and anti-corruption. Our CSR initiatives during the year particularly supported the United Nations Sustainable Development Goals.

Sure Group



Alistair Beak
CEO



The Sure Group comprises a number of geographically diverse operations, which are wholly owned subsidiaries of Beyon, acquired in 2013. Headquartered in Guernsey, the Sure Group provides telecommunications and related services across the Channel Islands, the Isle of Man and in the British Overseas Territories of Ascension, the Falkland Islands, Saint Helena and Diego Garcia.

In Guernsey, Sure is the leading full-service operator with market-leading propositions in fixed voice, mobile, broadband, Cloud and cybersecurity services. We are the prime competitor in Jersey and the Isle of Man where we challenge the incumbent operators through innovative solutions, value and customer service. In the British Overseas Territories, Sure operates under exclusive licences with full feature networks delivering voice, broadband data services and, in certain markets, TV.

Sure's purpose is to connect our island communities for a better future and this is best demonstrated through our partnership with the States of Guernsey to connect fibre to every property on the island by the end of 2026. The project is ahead of schedule having achieved the major milestone of half of all Guernsey properties now being able to connect to the state-of-the-art network. Take-up rates are surpassing 60%, driven by our comprehensive communications programme. During 2023 Sure also increased fibre broadband speeds to a market-leading 2 Gigabits per second, as well as

Sure's purpose is to connect our island communities for a better future and this is best demonstrated through our partnership with the States of Guernsey to connect fibre to every property on the island by the end of 2026.

equalising upload and download speeds, capitalising on the latest XGS-PON fibre technology being deployed. This makes Guernsey a leading fibre jurisdiction in island regions, the British Isles and the rest of the world.

For consumer mobile services across the Channel Islands and Isle of Man, including unlimited, shareable, and roaming-inclusive plans in our product suite, has driven pay monthly subscriber growth to its strongest level in five years.

Business customers' demand for digital services continued to grow with Sure's Hybrid Cloud proving particularly popular with customers across multiple sectors including financial services, crypto and retail. Customers are attracted to our unique combination of providing managed public and private Cloud, data sovereignty, high-performance computing and enterprise-grade networks. More generally, business customers are attracted to Sure's professional services and managed solutions deployed through partnerships with global brands including Cisco, Hewlett Packard Enterprise, Microsoft,

VMWare and Mimecast as well as the reassurance provided by our key accreditations of ISO22301 for business continuity and ISO27001 for information security.

In the South Atlantic Sure has achieved the major milestone of connecting St Helena to the Equiano subsea fibre cable system. This has enabled Sure to offer transformational improvements in broadband services; moving to unlimited plans and reducing pricing, whilst also extending the licence issued by the St Helena Government. Similarly, in Diego Garcia Sure connected to a new fibre optic subsea cable, enabling significant improvements to broadband services. In the Falkland Islands, having renewed our partnership with the Government at the end of 2022, faster broadband speeds and more generous packages for residential customers have been deployed.

Sure was proud to sponsor the very successful 2023 NatWest International Island Games in Guernsey, attended by more than 3,000 visiting competitors, officials and spectators. In our role as the Official Technology Partner of

the Games, we provided upgraded connectivity to 25 event sites, including public WiFi, which enabled the equivalent of 250,000 photos to be shared during the Games and leaves a permanent legacy in terms of improved broadband services. Our support of the Isle of Man TT races – as the Official Telecommunications Partner – entered its 17th year, demonstrating our ongoing commitment to the island's major annual event which attracts up to 50,000 visitors.

SABAFON
YEMEN



Sabafon, in which Beyon has a minority shareholding of 26.94%, is a GSM operator in Yemen offering national coverage across the country. The company started its operations in 2001 with the vision to establish a strong, dynamic and flexible organization to serve and benefit the people of Yemen with the latest GSM technology and services.

Sabafon has been operating in a challenging environment due to the existing political instability. Nonetheless, Beyon continues to believe that Sabafon has solid business fundamentals and will be in a leading position to seize opportunities once the geopolitical position improves.

ETIHAD ATHEEB TELECOM
SAUDI ARABIA



Etihad Atheeb Telecommunications Company (Atheeb) was established in 2008 and is a publicly listed company in the Kingdom of Saudi Arabia, in which Beyon holds a 15% stake.

The company operates under the “GO” brand and has a broad portfolio of products and services for both business and retail customers including but not limited to VOIP communication solutions, high-speed data services, wireless broadband internet, fixed line telephony, hosting cloud solutions and enterprise connectivity services.

During 2023, the company became one of the fastest-growing players in Saudi Arabia and with ambitious development plans aims to become more competitive in the promising Saudi telecommunications market.

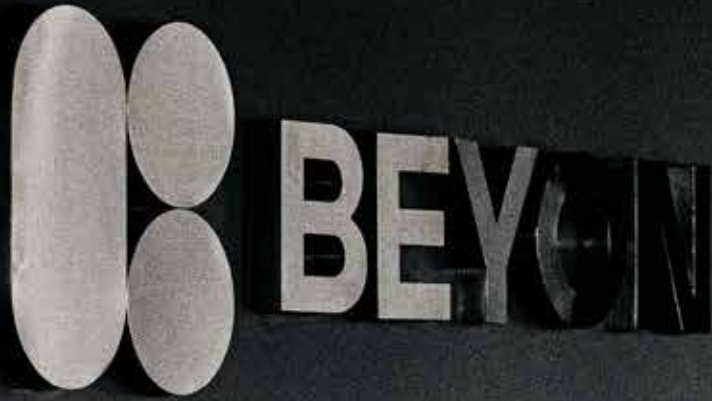
BATELCO EGYPT COMMUNICATIONS (S.A.E.)
EGYPT



Batelco Egypt is wholly owned by Beyon. The company was established in 2003 with a focus on providing end-to-end worldwide data communication solutions to corporates, multinational customers and global telecommunication providers.

Over recent years Beyon’s global connectivity to Egypt has been upgraded significantly to accommodate the increasing demand to and from Egypt, allowing Beyon to secure several global contracts. Through partnerships and alliances with other leading providers Beyon is gaining strength in Egypt’s enterprise sector among local and multinational companies.

Batelco Egypt is contributing towards Beyon’s strategy of building a cloud centric platform by introducing relevant services and enhancing its infrastructure. Such initiatives are serving to broaden the company’s portfolio, boost its competitiveness and enrich its service offerings in and out of Egypt.



Corporate Governance

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1. Descriptions of the actions taken to complete the Corporate Governance Code during the year 2023 in the Company and how they were applied

As a Bahrain-based public joint stock Company, the Company is subject to the Corporate Governance standards of Bahrain Commercial Companies Law; and in line with the Corporate Governance Code 2018 (“the Code”) of the Ministry of Industry and Commerce (“MOIC”) and its amendments. In addition to that, considering that the Company is listed on the Bahrain Stock Exchange; the Company also complies with the Central Bank of Bahrain (“CBB”) Volume 6 – Capital markets High-level controls corporate governance module.

The Company aspires to the highest standards of ethical conduct based on sound Corporate Governance, in accordance with its commitment to both meeting legal and regulatory requirements and adhering to international best practices, the Company has put in place a comprehensive Corporate Governance framework to maximize operational efficiency and protect shareholders’ rights.

The Company regards the guiding principles of its Corporate Governance framework to be **fairness, transparency, accountability and responsibility**, and is committed to complying with the ten principles of the Corporate Governance Code.

The Board of Directors undertook measures and ensured that for the year ended 31 December 2023, the company was compliant with the provisions of the Code (please refer to page number 75 of the report). The Board of Directors continuously strive to enhance the Company’s practices to establish a sound corporate governance framework, this is evident through the various initiatives taken by the Board to set up the proper policies and procedures to comply with the Code and in line with best practices.

Key Persons Policy

As part of their policies to maintain a fair, orderly and transparent securities market, the Bahrain Bourse and the Central Bank of Bahrain (CBB) enforced the stipulation of “Key Persons’ Dealing Policy” on listed companies. The policy regulates the trading of securities by members of the Board of Directors, Executive Management and other members of staff in the Company that are defined as Key Persons. The Directors have access to sensitive information that if exposed to the market, may directly or indirectly affect the value or price of the securities. The Company ensures the adherence to the Key Persons Policy and reports on a regular basis to the CBB and Bahrain Bourse as required and on any irregular activities that may occur from a key person within the Company. A copy of the policy can be reviewed on the Company’s website.

Code of Conduct and Whistle Blowing Policy

The Board of Directors developed a Code of Conduct and Ethics policy for the Board of Directors, which is in line with the regulations of the MOIC Corporate Governance Code. The Code of Conduct and Ethics has also been revised and approved by the Board of Directors during 2023 to reflect the recent initiatives taken towards conducting ethical practices. The Board of Directors have also developed a whistle blowing policy which has been communicated to the employees of the Company to guide them and promote ethical behavior, honesty and integrity in their normal daily activities; and to safeguard and uphold the reputation of the Company at all times. The policies can be reviewed on the Company’s website.

Elections of the Board of Directors, its Term, Induction and Orientation

According to Article (27) of the Company’s Articles of Association the Term of Directors membership on the Board shall not exceed 3 years. The recent term begun in March 2023 and the start of the new term will be in March 2026.

The Board placed formal, rigorous and transparent procedures for the appointment of new directors to the Board, and the Company ensures its compliance with relevant laws and guidelines related to the elections, announcement of the nominees and communication with shareholders. The Nomination Committee handles the responsibility of overseeing the process of nomination to the Board and in order to ensure that the nomination process is handled efficiently, the Nomination committee approved the Board appointment, election and nomination procedure, which sets out the processes and procedures taken when Board nomination takes place, which adheres to the applicable laws and regulations in the Kingdom of Bahrain. When reviewing candidates for board nomination, all candidates are identified against a criterion set by the Company which is in line with Article (28) of the Company’s Articles of Association.

Upon the approval from the Annual General Assembly Meeting (AGM) in the year 2023, the new board composition was announced. The Company with support from the Board Secretary handled the induction and orientation of the new Directors to familiarize them with the organization and their duties and responsibilities as Directors. The Directors are also provided with a comprehensive handbook inclusive of all important information about the Company structure, purpose, values and strategy in addition to the various policies that require their attention. An Orientation Day was held for the new directors led by the Chief Executive Officer and members of the Executive Management team. The Directors were also briefed about the terms and conditions of their directorship, the annual remuneration, and entitlement to reimbursement of expenses and access to independent professional advice when needed, not to mention any directorship in the Board sub committees or Opco’s.

Termination of Directors

The membership of the Directors is terminated upon the expiry of the term upon which the director shall be subject to re-election. The termination of directorship can also take effect if any Director is in breach of the conditions outlined in Article (29) of the Company’s Articles of Association.

1. Descriptions of the actions taken to complete the Corporate Governance Code during the year 2023 in the Company and how they were applied (Continued)

Performance Evaluation

In line with the governing laws of the Kingdom, the Board members undergo an annual performance evaluation of the Board, Board Committees', and their individual performance. The evaluation is designed to determine whether the Board, its Committees, and its directors are capable of providing high level of judgment.

The Evaluation process is administered by the Board Secretary and handled by the Nomination Committee where the results of the evaluation are discussed and the overall performance of the Board and Committee's is reviewed, and proposals for any enhancements are recommended to the Board of Directors.

For the year 2023, All directors have effectively completed their performance evaluations and the result of the Board Performance evaluation was 89.04% (Excellent) as per the approved evaluation rating criteria and shall be announced at the next AGM meeting for the shareholders' approval. The next performance evaluation of the Board is scheduled for 2024.

Board Independency Evaluation

On an annual basis the Company conducts an independency evaluation on the members of the Board of Directors to determine their independency status during the year. This exercise is conducted at least once every financial year.

The evaluation is conducted in line with the criteria set out in the Code in appendix 1 to determine the Board of Directors independency. A statement shall be prepared by the Board and announced in the next AGM meeting.

In its ongoing efforts the Board has resolved that it shall investigate any non-compliance or deviations from its Corporate Governance Guidelines which have been established and is available on the Company's website; or can be obtained from the Corporate Governance Officer.

Actions taken to enhance Corporate Governance during 2023

In the past year, the Board of Directors validated their commitment to enhancing corporate governance practices in the Company. Two new policies were introduced to the Board, a conflict-of-interest policy that outlined the Directors responsibility to declare their conflict on matters of interest and the process of disclosure. The Board also introduced the Appointment, election and nomination procedure which outlines the processes and applicable laws to be followed. These were a recent edition to a well-established governance framework in the Company which is continuously reviewed by the management.

As part of the continuous monitoring, during the year the Board also reviewed and approved the revised Board and Committee charters in addition to the Delegation of Authority (DOA). This revision was conducted to ensure that the Company's charters and policies are up to date with the recent amendments in the Corporate Governance Code and strengthening of governance practices within the Company. In addition to the above the Board has also reviewed and approved a revised Board Code of Conduct and Ethics policy and the Board's gifts policy.

These initiatives exemplify the Company's commitment to strengthening corporate governance, promoting transparency, ethical behavior, and cultivating diverse leadership within our organization.

2. Transactions of Directors and Executive Management trading during the year 2023

The following table provides details of shares owned by the Board of Directors and Executive Management during the year 2023. For further details, kindly refer to note 38 in the Financial Statements

No	Name	Position/kinship	Shares held at 31/12/2023	Total Sale Transaction in 2023	Total Purchase Transaction in 2023
1	*Raed Abdulla Fakhri	Deputy Chairman	5,240	Nil	Nil
2	Mikkel Vinter	Chief Executive Officer	628,829	Nil	628,829
3	Maitham Hasan	Chief Operating Officer Batelco	15,400	Nil	15,400
4	Shaikh Bader Rashed Alkhalifa	Chief Communications & Sustainability Officer	49,622	Nil	49,622
5	Faisal Aljalahma	Chief Human Resources Officer	57,522	Nil	57,522
6	Christopher Hild	Chief Strategy Officer	51,175	Nil	51,175
7	Shaikh Mohamed Khalifa Al Khalifa	Chief Digital Growth Officer	53,108	20,000	73,108
8	Saurabh Gupta	Chief Technical and Information Officer	64,375	Nil	64,375
9	Rashed Mohamed Rashed	GM Technology	48,799	Nil	48,799
10	Reem Altajer	Chief Financial Officer	5,987	Nil	Nil
11	** Faisal Qamhiyah	Chief Financial Officer	329,860	Nil	329,860
12	Batelco Employee Benefit Trust	Trust	1,656,110	127,760	2,349,995 Purchase (979,897) Transfer (1,370,098)

* The Director served on the Board until March 2023.

** This member of Executive Management served as Chief Financial Officer in the Company until May 2023.

3. Composition of the Board

The Board of the Company comprises of 10 Directors, 7 who are Non- Executive Independent Directors, below are their details:

Name	Shaikh Abdulla bin Khalifa Al Khalifa – Chairman
Type	Non – Executive Independent
Qualification and Experience	<p>Qualification: Bachelor of Science in Business Administration from the George Washington University, USA.</p> <p>Experience:</p> <ul style="list-style-type: none"> • Arab Banking Corporation B.S.C. • Head of Wealth Management at Standard Chartered Bank, Bahrain. <p>Over 25 years of experience</p>
Appointment and Term of Directorship	Appointed by Mumtalakat since June 2018 until the end of term. Was reappointed in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<ul style="list-style-type: none"> • Chairman of Edamah • Chairman of BTC Sure Group Limited Company (UK) • Board Member – Economic Development Board
Positions in any key regulatory, government or commercial entities	Chief Executive Officer at Mumtalakat Holding Company
Name	Shaikh Ali Bin Khalifa Al Khalifa – Deputy Chairman
Type	Non – Executive Independent
Qualification and Experience	<p>Qualification:</p> <ul style="list-style-type: none"> • Bachelor of Science in Mechanical Engineering from The George Washington University, D.C. • Master’s degree in business administration from DePaul Graduate program at BIBF, Bahrain. <p>Over 27 years of experience.</p>
Appointment and Term of Directorship	Appointed by Amber Holdings since June 2018 until the end of term. Was reappointed in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<ul style="list-style-type: none"> • Chairman of BNET Company (Bahrain) • Chairman of Beyon Cyber W.L.L (Bahrain) • President of Bahrain Football Association. <p>Board Membership:</p> <ul style="list-style-type: none"> • Bahrain Cycling Association • Bahrain Olympic Committee • Asian Football Association Executive Committee
Positions in any key regulatory, government or commercial entities	Joined the Bahrain Defense Force in June 1996 and currently holds the rank of Lieutenant Colonel. He has held various positions within the organization.

3. Composition of the Board (Continued)

Name	Mr. Abdulla Abdulrazaq Bukhowa – Director
Type	Non – Executive Independent
Qualification and Experience	<p>Chief Executive Officer of Bahrain Commercial facilities company.</p> <p>Qualification: Bachelor of Business from the University of Texas, USA.</p> <p>Experience:</p> <ul style="list-style-type: none"> • Chief Executive Officer of Standard Chartered Bank Bahrain • Chief Executive Officer of Standard Chartered Bank Qatar • Lead of Financial Markets and Corporate and Institutional Banking segments- Standard Chartered Bahrain • Head of Global Markets and co-Head of Wholesale Bank- Standard Chartered Bahrain <p>Over 23 years of experience.</p>
Appointment and Term of Directorship	Appointed by Social Insurance Organization at the AGM in 2020 and was reappointed by the shareholder in the AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<p>Board Membership:</p> <ul style="list-style-type: none"> • Bahrain Association of Banks • Future Generation Reserve • National Motors Company • Tasheelat Insurance Services Company (TISCO)
Positions in any key regulatory, government or commercial entities	Nil
Name	Mr. Ahmad Mazhar – Director
Type	Non – Executive Independent
Qualification and Experience	<p>Qualification:</p> <ul style="list-style-type: none"> • Bachelor of Engineering in Electrical Engineering from Georgia Institute of Technology • MBA in Finance and Entrepreneurship from the University of Pennsylvania, The Wharton School. <p>Experience:</p> <ul style="list-style-type: none"> • Managing Director at Helios Fairfax Partners • Over 16 years of experience in private equity with a strong track record in sourcing, executing, and managing portfolio companies across a diverse range of industries in MENA, Southeast Asia, and Sub-Saharan Africa.
Appointment and Term of Directorship	Appointed by Mumtalakat in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<p>Board Membership:</p> <ul style="list-style-type: none"> • Prime Magnetic Holding • Bahrain Flour Mills
Positions in any key regulatory, government or commercial entities	Executive Director – Strategic Investments at Mumtalakat Holding Company

3. Composition of the Board (Continued)

Name	Mr. Ahmed Abdulwahed Abdulrahman – Director
Type	Non – Executive Independent
Qualification and Experience	<p>Chief Executive Officer of Esterad Investment Company B.S.C</p> <p>Qualification: Bachelor’s Degree (Hons) in Business Systems & Information Technology from University of Northumbria, Newcastle</p> <p>Experience:</p> <ul style="list-style-type: none"> • Founder & Managing Partner of Clan Partners Advisory • CEO and Managing Director of Beacon Capital Management • Head of Private Equity for GCC, Levant and Turkey at Bank Al Khair • Relationship Manager at Ahli United Bank – Offshore Unit • Relationship Manager at Kuwait Finance House – Bahrain • BDO Jawad Habib as an analyst in the Financial Advisory Services unit <p>Over 21 years of experience in Investment Banking, Mergers & Acquisitions and Private Equity</p>
Appointment and Term of Directorship	Elected by the shareholders in the AGM 2020 and was reappointed in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<ul style="list-style-type: none"> • Deputy Chairman of the Board and Chairman of the Audit Committee in Dhiraagu Telecommunications Company (Maldives). • Vice Chairman of the Board and Board Member of the Nomination, Remuneration and Corporate Governance Committee in Venture Capital Bank B.S.C. <p>Board Membership:</p> <ul style="list-style-type: none"> • Saudi Venture Capital Investments Co. • Native Land investment. • Beacon capital management
Positions in any key regulatory, government or commercial entities	Nil
Name	Mr. Daniel Ritz – Director
Type	Non – Executive
Qualification and Experience	<p>Spokesperson of the Management Board at Walter Group</p> <p>Qualification:</p> <ul style="list-style-type: none"> • Master’s degree Business Administration from University of St. Gallen • Ph.D. in Business Administration from University of St. Gallen • Ph.D. student at Harvard Business School <p>Experience: CEO of Tele Columbus (Germany), CEO of PTCL (Pakistan) and CSO of Etisalat Group (UAE)</p>
Appointment and Term of Directorship	Appointed by Mumtalakat in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	Board Member and Audit Committee Member in BNET (Bahrain)
Positions in any key regulatory, government or commercial entities	Nil

3. Composition of the Board (Continued)

Name	Ms. Fatema Ghazi Alarayedh – Director
Type	Non – Executive
Qualification and Experience	<p>Attorney at the law firm of Debevoise & Plimpton LLP in London</p> <p>Qualification:</p> <ul style="list-style-type: none"> • B.A. with honors in Political Science from Yale University • J.D. from Columbia Law School where she was a Harlan Fiske Stone Scholar. • Admitted to the Bar in New York <p>Experience:</p> <ul style="list-style-type: none"> • Practiced law at the offices of Cleary Gottlieb Steen & Hamilton LLP in New York. • Worked on economic development projects at the Clinton Foundation in New York and at the Economic Development Board in Bahrain
Appointment and Term of Directorship	Appointed by Mumtalakat at the AGM in 2020 and was reappointed by Social Insurance Organization in 2023 for a period of 3 years.
Directorships and positions in other companies	Nil
Positions in any key regulatory, government or commercial entities	Nil
Name	Mr. Khalid Hussain Taqi – Director
Type	Non – Executive Independent
Qualification and Experience	<p>Qualification:</p> <ul style="list-style-type: none"> • Bachelor of Commerce degree in Finance- Concordia University, Montreal – Canada. • Master's degree in finance from DePaul University's Kellstadt Graduate School of Business. <p>Experience:</p> <p>Transaction Advisory Services Team at Ernst & Young – Bahrain.</p> <p>17 years of experience.</p>
Appointment and Term of Directorship	Appointed by Social Insurance Organization since January 2019 until the end of term. Was reappointed in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<ul style="list-style-type: none"> • Deputy Chairman and Chairman of the Audit Committee in BNET (Bahrain) • Deputy Chairman in Bank of Bahrain and Kuwait
Positions in any key regulatory, government or commercial entities	Chief Investment Officer at Osool Asset Management.

3. Composition of the Board (Continued)

Name	Mr. Saleh Romeih – Director
Type	Non – Executive
Qualification and Experience	<p>Senior Partner and Global Managing Partner at Safanad Holding Company and the Founding Managing partner of the Softbank Vision Fund and Senior Advisor in Mundi Ventures</p> <p>Qualification:</p> <ul style="list-style-type: none"> • B.A. with honors in Science in Business Administration from Georgetown University. • MBA Concentration in Accounting and Finance from University of Pennsylvania, USA. <p>Experience:</p> <ul style="list-style-type: none"> • Managing Director at Goldman Sachs in London. • Head of Corporate Coverage at Deutsche Bank.
Appointment and Term of Directorship	Appointed by Mumtalakat in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	<p>Board Membership:</p> <ul style="list-style-type: none"> • The Abraaj Group • The Board of Advisors in Georgetown University, McDonough School of Business • Deutsche Securities Saudi Arabia
Positions in any key regulatory, government or commercial entities	Nil
Name	Brig. Gen. Waleed bin Hindi – Director
Type	Non – Executive Independent
Qualification and Experience	<p>Qualification:</p> <ul style="list-style-type: none"> • Bachelor's degree in Business Management from University of Mutah, Jordan • He graduated from the Military College of Kuwait in 1989.
Appointment and Term of Directorship	Appointed by Amber Holdings in AGM 2023 for a period of 3 years.
Directorships and positions in other companies	Nil
Positions in any key regulatory, government or commercial entities	Commander of the Royal Communications Unit with the rank of Colonel in Bahrain Defense Force.

3. Composition of the Board (Continued)**Previous members who served in 2023**

The below directors have served as Board members in the Company until March 2023 when their term ended, and their directorship positions in the Company's subsidiary boards have also been terminated upon the end of their term.

Name	Mr. Abdulla Abdulhameed Alhammadi – Director
Type	Non – Executive
Qualification and Experience	Regional Business Lead for Snapchat MENA Qualification: B.A. with honors from Georgetown University in finance and international business Experience: <ul style="list-style-type: none"> • Senior Engagement Manager with McKinsey & Company • Member of the founding team in Careem • Lead of small business marketing in Google –Saudi Arabia Over 13 years of experience in management consultancy, tech and startups
Appointment and Term of Directorship	Appointed by Mumtalakat at the AGM in 2020 for a period of 3 years. The Director's term expired in March 2023.
Directorships and positions in other companies	Previous Memberships: <ul style="list-style-type: none"> • Deputy Chairman of Batelco Financial Services B.S.C (Closed) • Deputy Chairman of Batelco Remittance Service B.S.C (Closed)
Positions in any key regulatory, government or commercial entities	Nil
Name	Major General Ali Saqer Al Noaimi – Director
Type	Non – Executive Independent
Qualification and Experience	Qualification: Graduated from the Military College, Kuwait, in November 1978. Experience: <ul style="list-style-type: none"> • Military officer with the rank of Major General in Bahrain Defense Force appointed as Director of Logistics & Supplies in BDF. • Held the position of a commandant of Isa Royal Military College Over 44 years of experience.
Appointment and Term of Directorship	Appointed by Amber Holdings on 31 March 2020 until the end of term. The Director's term expired in March 2023.
Directorships and positions in other companies	President of Bahrain Golf Association Previous Memberships: Board Member and Audit Committee Member of BNET (Bahrain)
Positions in any key regulatory, government or commercial entities	Director of Logistics & Supplies in BDF.

3. Composition of the Board (Continued)

Name	Mr. Jean Christophe Durand – Director
Type	Non – Executive Independent
Qualification and Experience	<p>Chief Executive Officer of National Bank of Bahrain.</p> <p>Qualification: ESSEC (Ecole Superieure des Sciences Economiques et Commerciales), French Business School in Paris.</p> <p>Experience:</p> <ul style="list-style-type: none"> • Global Head of BNP Paribas MEA (Middle East & Africa) region for Corporate and Institutional Banking and Asset Management for over 15 years. • Several years of experience in Bahrain working with Banque Indosuez and BNP Paribas. <p>Over 42 years of experience in the banking and finance sector.</p>
Appointment and Term of Directorship	<p>Elected by the shareholders in 2017 and served for a period of 3 years. Was re-elected in the AGM 2020 for a period of 3 years.</p> <p>The Director's term expired in March 2023.</p>
Directorships and positions in other companies	<p>Chairman of the French Chamber of Commerce and Industries in Bahrain (FCCIB)</p> <p>Previous Memberships:</p> <ul style="list-style-type: none"> • Chairman of Umniah Mobile and Telephone Company (Jordan) • Deputy Chairman of Bahrain Islamic Bank (BISB) • Board Member – Gulf Air
Positions in any key regulatory, government or commercial entities	Nil
Name	Mr. Raed Abdulla Fakhri – Deputy Chairman
Type	Non – Executive Independent
Qualification and Experience	<p>Group Chief Executive Officer of Bahrain National Holding B.S.C.</p> <p>Qualification: Executive MBA from the University of Bahrain, and Bachelor of Science in Electronics Engineering Technology from the University of Central Florida, Orlando, USA.</p> <p>Experience:</p> <ul style="list-style-type: none"> • Co-founded BDI Partners in 2010 and headed the firm as a Managing Director. • Head of Investment Department in Capivest Investment Bank. • Batelco Senior Manager in New Business Development Unit. • Control Systems Engineer and Project Engineer in Gulf Petrochemical Industries Company (GPIC). <p>Over 29 years of experience mainly in business development and investments.</p>
Appointment and Term of Directorship	<p>Appointed by Mumtalakat and served as a board member since 2014.</p> <p>Was reappointed in AGM 2020 for a period of 3 years.</p>
Directorships and positions in other companies	<p>Board Membership:</p> <ul style="list-style-type: none"> • Investrade • National Finance House B.S.C Closed <p>Previous Membership:</p> <ul style="list-style-type: none"> • Gulf Air Group Holding • Gulf Aviation Academy • Bahrain Airport Company W.L.L • Bahrain National Dredging Company • ELM Education Fund • American University Bahrain • LE University Bahrain • Khairat Al Bahrain Holding • Prodrive international Company
Positions in any key regulatory, government or commercial entities	Nil

3. Composition of the Board (Continued)

A statement of Board membership statistics according to their gender in the year 2023

The Board of Directors is comprised of 10 Directors, 90% of the directors are male and 10% are female.

Total Remuneration paid to the directors for the year 2022 and 2023

The Company ensures that the Board of Directors are remunerated fairly in consideration of their responsibility towards fulfilling the duties of the Board, it's Committees in addition to their representation on the Company's subsidiary Boards. Board remuneration distribution is in line with Article 188 of the commercial companies law and any other sitting fees or expenses paid are in accordance with the Board remuneration and the Board Travel and expenses policies approved by the Board of Directors.

For the year 2022, Directors remuneration as approved by the AGM is BD 540,768.

For the year 2023, Directors remuneration proposed for AGM approval is BD 530,861. The total board remuneration for 2023 including the annual Board remuneration, sitting fees, remuneration paid for the Board members serving as directors on the Company's subsidiaries Boards and other additional expenses incurred is BD 586,611.

Kindly refer to note 38 in the Financial Statements.

Sitting fees paid to the directors for attendance of the Board's committees for the year 2023

Name of Committee	Number of Meetings	Total amount paid to Directors (BD)
Audit Committee	5	10,250
Remuneration, Nomination, Donation and Corporate Governance Committee	7	15,250
Executive Committee	10	21,500

Board Meetings

According to the Governance laws and applicable laws, the Board are required to meet during each financial year for at least 4 times. During the year 2023, the Board has met on 8 occasions on the following dates:

Members	Attendance %	21 Feb	2 Mar	2 Apr	9 May	25 Jul	12 Oct	31 Oct	6 Dec
Sh. Abdulla Al Khalifa (Chairman)	100%	☑	☑	☑	☑	☑	☑	☑	☑
Sh. Ali Al Khalifa (Deputy Chairman)	88%	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Khalid Taqi (Member)	100%	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Abdulla Bukhowa (Member)	100%	☑	☑	☑	☑	☑	☑	☑	☑
Ms. Fatema Alarayedh (Member)	100%	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Ahmed Abdulrahman (Member)	100%	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Saleh Romeih (Member)	83%	–	–	☑	☑	☑	☑	☑	☑
Mr. Daniel Ritz (Member)	100%	–	–	☑	☑	☑	☑	☑	☑
Mr. Ahmad Mazhar (Member)	100%	–	–	☑	☑	☑	☑	☑	☑
Col. Waleed Binhindi (Member)	83%	–	–	☑	☑	☑	☑	☑	☑
Mr. Raed Fakhri (Previous Member)	50%	☑	☑	–	–	–	–	–	–
Mr. Jean Christophe Durand (Previous Member)	100%	☑	☑	–	–	–	–	–	–
Mr. Abdulla Alhammadi (Previous Member)	100%	☑	☑	–	–	–	–	–	–
Maj. Gen. Ali AlNoaimi (Previous Member)	100%	☑	☑	–	–	–	–	–	–

Previous members served on the Board of Directors until 29 March 2023.

3. Composition of the Board (Continued)

Board's Duties and Responsibilities

The Board of Directors are responsible for monitoring and overseeing the overall performance of the Company; and to ensure best practices are adopted to guarantee the best interest of the shareholders and stakeholders. Also, to ensure the effective execution of their responsibilities; the Board has the trust of the established sub committees and executive management to offset some of their duties as below:

- Represent the shareholder interests and optimizing long term financial returns.
- Establishing the Company's policies and strategy and regularly monitoring the performance of executive management against it.
- Oversight, performance evaluation and succession planning of executive management
- Preparation and fair presentation of the financial statements in accordance with the applicable financial reporting standards.
- Supervision of Risk recognition and assessment to ensure that the Company's operations are measured, monitored and controlled by appropriate, effective and prudent risk management systems.
- Approve and monitor the progress of major capital expenditure, capital management, and loans, including the sale of movable and immovable property, granting permission for withdrawal of money and securities.
- Establishing policies to manage potential conflicts of interest including matters such as related party transactions.
- Establishing and disseminating to all employees and appointed representatives of the Company a corporate code of conduct.

Related party transactions during the year 2023

It is the policy and practice of the Company that all related party and intra-group transactions are done on an arm's length basis in the ordinary course of business and are approved by the Executive Management of the Company, please refer the note 38 (Transactions with Related Parties) of the Financial Statements for the details of related party transactions Directors and Management trading of the Company shares during the year.

Below is a summary of the related party transactions held in 2023 that were relevant to the Board Members:

Details of Transaction	Type of Transaction	Amount paid in 2023 (BD)
BNET	Services fees	25,680,558
Bahrain Football association	Donation	100,000
Market Making agreement with SICO	Business	57,419
Edamah	Rental Expenses	36,085
American University of Bahrain	Donation	8,354
Batelco Financial Services	Business	2,490

3. Composition of the Board (Continued)**Conflict of Interest**

The Company has ensured that all Board Members are aware of their obligation to adhere to the Company's strict policy to disclose any conflict of interest that may arise before a discussion of a certain agenda item, or any external appointment made that may affect their judgment. Additionally, the Board has the duty to avoid any circumstances that may result in a conflict. In all cases, all matters of conflict must be declared and approved by the Board.

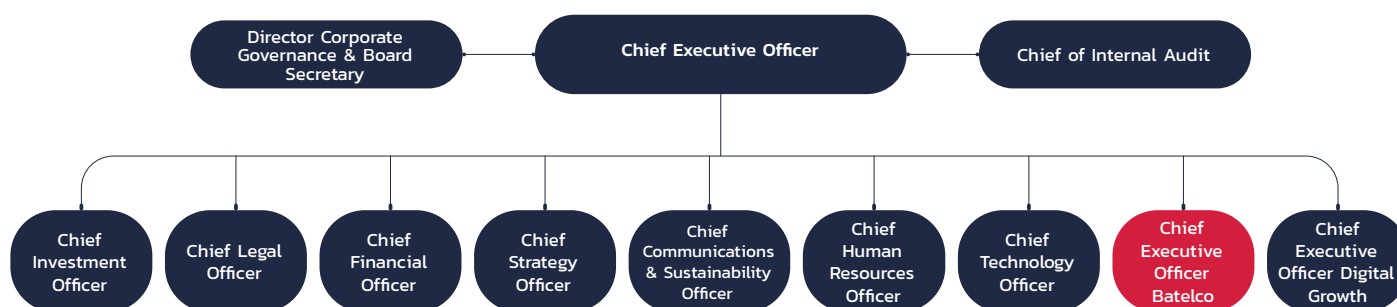
During the year 2023, the Board Members have declared conflict in discussions and refrained from voting on the below:

No	Date	Meeting	Conflict of Interest Matter	Declared by
1	21 February 2023		Corporate Governance Update	Shaikh Abdulla Al Khalifa Shaikh Ali Al Khalifa Mr. Khalid Taqi Maj. Gen Ali Al Noaimi
			Cables Funding	Shaikh Abdulla Al Khalifa Mr. Khalid Taqi Mr. Jean Christophe Durand
2	2 March 2023		Board Nominees Profiles	Mr. Ahmed Abdulrahman Mr. Abdulla Bukhowa
			Sponsorship/Donation Proposal	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar Mr. Saleh Romeih Mr. Daniel Ritz
3	9 May 2023	Board Meeting	Project J Update	Shaikh Abdulla Al Khalifa Shaikh Ali Al Khalifa Mr. Ahmad Mazhar Mr. Saleh Romeih Mr. Daniel Ritz Brig. Gen. Waleed Binhindi
			DC Finance Structure	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar Mr. Saleh Romeih Mr. Daniel Ritz
4	25 July 2023		Sponsorship/Donation	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar Mr. Saleh Romeih Mr. Daniel Ritz
			Sponsorship/Donation Partnership	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar Mr. Daniel Ritz
5	12 October 2023		DC Approval	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar
			Sponsorship/Donation Proposal	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar Mr. Saleh Romeih Mr. Daniel Ritz
7	9 February 2023	Remuneration, Nomination, Donations and Corporate Governance Committee Meeting	Corporate Governance Update	Shaikh Abdulla Al Khalifa Mr. Khalid Taqi
8	12 October 2023		Sponsorship/Donation Partnership	Shaikh Abdulla Al Khalifa Mr. Ahmad Mazhar
9	19 February 2023	Executive Committee	Cables Funding	Mr. Khalid Taqi Mrs. Reem Altajer
10	23 July 2023		DC – Financial Structure	Mr. Ahmad Mazhar
11	30 October 2023		DC	Mr. Ahmad Mazhar

3. Composition of the Board (Continued)

Beyon Organizational Structure

Beyon's Organization structure is comprised of several levels, the below structure highlights some of the main Key Executive Management in the Company:



Below is a summary of the Key Executive Management Profiles:

Name and Position	Mikkel Vinter - Chief Executive Officer
Previous Experience	<p>Mr. Vinter has 20 plus years of international experience gained with telecom operators and digital companies in the middle east, Asia, and Europe, including several greenfield mobile start-up operations. He founded virgin mobile, middle east & Africa in 2006 and served as its chief executive officer until 2016. Prior to that Mr. Vinter was chief commercial officer at Nawras Oman.</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Chairman of Beyon Solutions Company W.L.L • Chairman of Digital City Company W.L.L. <p>Member of the Board of Directors:</p> <ul style="list-style-type: none"> • Batelco Financial Services B.S.C. Closed • Batelco Remittance Service B.S.C. Closed • Beyon Money Investments B.S.C. Closed • Batelco Financial Services Ltd (UAE) • Beyon Connect B.S.C. Closed • Umniah Mobile Company Plc • BTC Sure Group Limited • Dhiraagu (Dhivehi Raajjeyge Gulhun Plc) where he is also on the RNG Committee • Member of the Al Waha Fund of Funds, Limited Partner Advisory Committee
Education	<ul style="list-style-type: none"> • Master's degree in economics and business administration - Copenhagen Business School. • Completed Marketing and Management Programme With McGill University.
Date of Joining	2019

3. Composition of the Board (Continued)**Beyon Organizational Structure** (Continued)

Name and Position	Reem Altajer – Chief Financial Officer
Previous Experience	<p>Mrs. Altajer has gained experience through a number of roles including Internal Audit Manager, Subsidiaries Finance Manager and Director of Treasury, Planning and Assurance. Prior to Beyon, she worked with Ernst & Young as an external auditor.</p> <hr/> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • BTC Sure Group Limited • Beyon Solutions Company W.L.L. • Batelco Financial Services B.S.C. Closed • Batelco Remittance Service B.S.C. Closed • Beyon Money Investments B.S.C. Closed • Batelco Financial Services LTD ADGM (UAE) • Batelco Middle East Company B.S.C. Closed • Batelco International Company B.S.C. Closed • Batelco International Infrastructure Company W.L.L. • Umniah Mobile Company PLC • Digital City Company W.L.L.
Education	<ul style="list-style-type: none"> • Fellowship of the Institute of Chartered Accountants in England and Wales • Certified Internal Auditor • Certified Investor Relations Officer
Date of Joining	2004
Name and Position	*Maitham Abdulla – Chief Executive Officer – Batelco
Previous Experience	<p>Mr. Abdulla has held the role of Batelco Chief Operating Officer since 2022, and prior to that was General manager of Batelco's Consumer Division since 2020. His experience gained over 17 years with Batelco and Beyon spans digital transformation, telecom product development, mobile & fixed technology, Data Centers and content services.</p> <hr/> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Call Center Company C3 W.L.L. "Total CX" • BTC Sure Group Limited • Umniah Mobile Company PLC • Etihad Atheeb Telecom (GO)
Education	<ul style="list-style-type: none"> • MBA in Marketing & Business Management from Al-Ahlia University • BSc in Management Information Systems from NYIT
Date of Joining	2006

*Maitham Abdulla held the role of Batelco Chief Operating Officer until February 29, 2024

3. Composition of the Board (Continued)**Beyon Organizational Structure** (Continued)

Name and Position	Shaikh Bader bin Rashid Al Khalifa – Chief Communications & Sustainability Officer
Previous Experience	<p>Shaikh Bader has over 26 years' experience across diverse fields including people management, communications and sustainability which serve him well in his role as Beyon Chief Communications & Sustainability Officer. Shaikh Bader held several managerial and executive roles, since joined the company in 2010. Shaikh Bader is responsible for Beyon's Corporate and Marketing Communications, Beyon Creative Lab, and Sustainability Functions.</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • INJAZ Bahrain • Umniah Mobile Company PLC. • Batelco International Company B.S.C. Closed
Education	<ul style="list-style-type: none"> • BA in Business Administration – Boston University, USA. • Master of Science in Management – Boston University, USA.
Date of Joining	2010
Name and Position	Buddhadeb Samanta – Chief Internal Audit
Previous Experience	<p>Mr. Samanta has over 21 years of experience in the international telecommunications industry, having established the Internal Audit functions for mobile operators in Indonesia, Dubai and India. Among his previous roles he was Chief Internal Auditor of Smartfren Telecom (Indonesia) and held various roles with Du Telecom (Dubai) including the post of Director Internal Audit.</p> <p>Directorships/ Other Roles</p> <p>Nil</p>
Education	<ul style="list-style-type: none"> • Bachelor's degree in commerce – St Xavier's College, Calcutta University. • Chartered Accountant qualifications from the Institute of Chartered Accountants of India.
Date of Joining	2019
Name and Position	Christopher Hild – Chief Strategy Officer
Previous Experience	<p>With over 16 years' experience in strategy development and execution, Mr. Hild's previous roles include senior positions in strategy consulting, leading projects related to digital transformation, customer experience, topline growth, operational excellence, and cost optimization, for a number of telecom operators in the Middle East, Europe, Africa and Asia.</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Member of the Board of Directors and Chairman of Audit committee in BTC Sure Group Limited. • Member of the Board of Directors in Call Center Company C3 W.L.L. "Total CX"
Education	<ul style="list-style-type: none"> • BA in Public Management & Governance – Zeppelin University, Germany
Date of Joining	2019

3. Composition of the Board (Continued)**Beyon Organizational Structure** (Continued)

Name and Position	Faisal Al Jalahma – Chief Human Resources Officer
Previous Experience	<p>Mr. Al Jalahma is responsible for developing Beyon’s HR strategy with a focus on employee centricity and evolving Beyon to be Bahrain’s employer of choice. Prior to his current role, Mr. Al Jalahma held the CHRO role at Beyon. Previously, he held various roles including Director of Finance, IT and HR at the Bahrain Telecommunications Regulatory Authority (TRA). The role included transformational projects to digitalise and automate systems at the TRA.</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Chairman of Call Center Company C3 W.L.L. “Total CX” • Chairman of Batelco Middle East Company B.S.C. Closed • Chairman of Batelco International Company B.S.C. Closed <p>Member of the Board of Directors:</p> <ul style="list-style-type: none"> • Beyon Cyber Company W.L.L. • Dhiraagu (Dhivehi Raajjeyge Gulhun PLC).
Education	<ul style="list-style-type: none"> • MBA – University of Strathclyde, UK • Several executive qualifications from Harvard Business School and Harvard University, John F. Kennedy School of Government
Date of Joining	2018
Name and Position	*Isa Alsabea – Chief Investment Officer
Previous Experience	<p>Isa has 15 years of experience in mergers and acquisitions, and investments gained in multiple investment banking, private equity, and corporate M&A roles.</p> <p>He also served as Beyon Director of Mergers and Aquisitions and also worked as an investment banker at UBS Investment Bank where he held various positions in London and Dubai, most recently serving as a Director of Middle East Investment Banking. In this role, he was responsible for advising corporate and financial clients on a broad range of mergers, acquisitions and capital markets transactions. Isa started his career as a private equity analyst at Arcapita in 2009</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Batelco Financial Services B.S.C. Closed • Batelco Remittance Service B.S.C. Closed • Beyon Money Investments B.S.C. Closed • Beyon Connect B.S.C. Closed • Batelco Middle East Company B.S.C. Closed
Education	<ul style="list-style-type: none"> • MSc (Distinction) in Economics from the London School of Economics • BA (Hons) in Philosophy, Politics and Economics from Balliol College, University of Oxford.
Date of Joining	2020

*Isa Alsabea held the role of Director of Mergers and Acquisitions until February 29, 2024

3. Composition of the Board (Continued)**Beyon Organizational Structure** (Continued)

Name and Position	Miguel-Angel Fuentes – A/Chief Legal Officer
Previous Experience	<p>Mr. Fuentes has over 20 years wide ranging experience as a corporate lawyer and has gained a strong knowledge in key areas including mergers & acquisitions, telecommunications infrastructure deals, and digital business. His previous roles include Batelco Group General Counsel, legal and regulatory and Associate General Counsel Corporate of Beyon. Prior to the Beyon Group, Mr. Fuentes held a number of senior legal roles within Zain Group, in Africa and the Middle East. Prior to this, he was Legal and Regulatory Director at Intercel Madagascar, and he worked as an independent consultant in telecommunications regulation for clients such as the IFC.</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Batelco Middle East Company B.S.C. Closed • Batelco International Company B.S.C. Closed • Batelco International Infrastructure Company W.L.L.
Education	<ul style="list-style-type: none"> • Master’s degree in French and Spanish Corporate Law / European Law from the University of X-Nanterre, France • Executive Management Programme with Wits Business School, South Africa
Date of Joining	2017
Name and Position	*Shaikh Mohamed bin Khalifa Al Khalifa – Chief Executive Officer – Digital Growth
Previous Experience	<p>Shaikh Mohamed established the Digital Growth team in Beyon Group, which is responsible for investing in and developing the Beyon portfolio of digital companies, with the aim of growing their footprint in scale and scope. Since 2020 the team has been responsible for developing Beyon Solutions, Beyon Cyber, Beyon Connect, Beyon Money and Beyon Money Business; as well as the acquisitions of Insomea Computer Solutions and DTS Solution.</p> <p>Prior to Beyon, Shaikh Mohamed was Head of Strategic Projects, and ICT Business Development at the Bahrain Economic Development Board. His role revolved around public and private sector cloud adoption, Blockchain, startups and enhancing infrastructure development across the GCC. Previously, Shaikh Mohamed was advisor to the Minister of Foreign Affairs.</p> <p>Directorships/ Other Roles</p> <ul style="list-style-type: none"> • Chairman of Beyon Connect B.S.C. Closed • Chairman of Batelco International Infrastructure Company W.L.L. <p>Member of the Board of Directors:</p> <ul style="list-style-type: none"> • Umniah Mobile Company PLC. • Batelco Financial Services B.S.C. Closed • Batelco Remittance Service B.S.C. Closed • Beyon Money Investments B.S.C. Closed • Beyon Solutions Company W.L.L. • Beyon Cyber Company W.L.L.
Education	<ul style="list-style-type: none"> • Bachelor’s degree in politics – American University, Washington DC, USA. • MSC in Middle East Politics – School of Oriental and African Studies, UK.
Date of Joining	2020

*Shaikh Mohamed bin Khalifa Al Khalifa held the role of Chief Digital Growth Officer until February 29, 2024

3. Composition of the Board (Continued)**Beyon Organizational Structure** (Continued)

Name and Position	Saurabh Gupta – Chief Technology Officer
Previous Experience	Mr. Gupta is focused on driving new technology developments and capabilities throughout the Beyon Group. Previously he worked with Vodafone for over 8 years across UK, Germany, and Czech Republic where he held the role of Chief Information Officer. Prior to that, he spent over 10 years with Unilever in India and the UK in a number of technology delivery and management roles.
	Directorships/ Other Roles <ul style="list-style-type: none"> • Member of the Board of Directors: <ul style="list-style-type: none"> – BTC Sure Group Limited – Beyon Cyber W.L.L. – Beyon Solutions W.L.L. – Beyon Connect B.S.C. Closed – Digital Transformation Solution
Education	<ul style="list-style-type: none"> • Engineering degree – IIT (Indian Institute of Technology) Roorkee, India • Post-graduate in Management – IIM (Indian Institute of Management) Ahmedabad, India • Technology Excellence Programme – Imperial College Business School London, UK.
Date of Joining	2020
Name and Position	*Noor Bukamal – Director Corporate Governance and Board Secretary
Previous Experience	Ms. Bukamal, with over 10 years of experience in governance and as a Board Secretary, previously served as Beyon Head Corporate Governance. Her diverse roles also include positions in the insurance and industrial sectors, showcasing her versatility and expertise.
	Directorships/ Other Roles Nil
Education	Master's degree in human resources management – Leeds Metropolitan University
Date of Joining	2014

**Noor Bukamal held the role of Board Secretary and Head Corporate Governance until February 29, 2024*

3. Composition of the Board (Continued)

Beyond Organizational Structure (Continued)

Total Remuneration paid to the Key Executive Management for the year 2023

The Company has a framework in place to monitor and evaluate the performance of the executive management and employees of the Company. An equitable and transparent system of limits and performance metrics is in place which is used to reward the employees of the Company for their accomplishments during the year. The executive management under the guidance of the Remuneration Committee is responsible for administering the employee performance process. The total of the highest paid six key executive management compensation was recorded at BD 1,731,971 which includes salaries, benefits, allowances and increases.

4. External Auditors

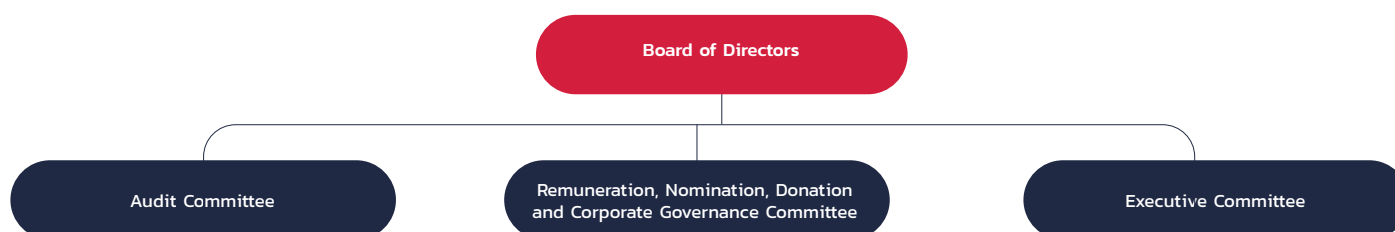
KPMG has had a presence in the Kingdom of Bahrain for nearly 50 years. From a small local accounting firm, founded in 1968 by university friends Jassim M. Fakhro and Hussain Kasim, KPMG in Bahrain has become one of the largest and most prestigious professional services firms in the country. KPMG in Bahrain employs over 300 professional staff and partners. They also provide clients a suite of locally supported Audit, Tax and Advisory services.

Name of the Audit Firm	KPMG Fakhro
Years of service as the Company's External Auditor	Since 1993
Name of the Partner in Charge of the Company's Audit	Salman Manjlai
The Partner's years of service as the partner in charge of the Company's audit	4 th year
Total audit fees for the financial statements for the year 2023 (BD)	BD 491,716
<i>Note: Total amount includes fees for audit services (BD 448,963) and audit related services (BD 42,753).</i>	
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2023 (BD) if any. In the absence of such fees, this shall be expressly stated	BD 97,859

5. Board Committees Structure

Board Committees Structure

In line with the Code of Governance the Board have set up sub committees to oversee some of their responsibilities which are clarified in each Committee's charter, below is the Company's Board Committee's Structure:



Audit Committee

The Audit Committee assists the Board in fulfilling its responsibility in overseeing of the quality and integrity of the financial reporting, internal controls, the internal audit function, the external auditors, and the best practices related to international financial reporting standards. They also oversee the compliance and risk management functions in the Company.

As per the Charter of the Audit Committee, the Directors are required to meet at least 4 times in a given financial year to discharge its responsibilities effectively. During the year 2023, the Audit Committee consisting of 3 Independent, Non- Executive Board members and 1 Executive member and has met on 5 occasions on the following dates:

Members	31 Jan	20 Feb	7 May	25 July	30 Oct
Mr. Abdulla Bukhowa (Chairman)	☎	☎	☎	☎	☎
Sh. Ali Al Khalifa (Deputy Chairman)	☎	☎	☎	☎	☎
Mr. Daniel Ritz (Member)	-	-	☎	☎	☎
Brig. Gen. Waleed Binhindi (Member)	-	-	☎	☎	☎
Jean Christophe Durand (Previous Member)	☎	☎	-	-	-
Maj. Gen. Ali AlNoaimi (Previous Member)	☎	☎	-	-	-

Previous members served as committee members until 29 March 2023.

5. Board Committees Structure (Continued)

Remuneration, Nomination, Donation and Corporate Governance Committee

The Committee assists the Board in formulating policies and frameworks for the nomination, and remuneration of the Directors and Executive Management of the Company. In addition to monitoring the corporate governance and ensuring that the company is in compliance with the applicable laws and regulations. Moreover, the Committee is responsible for reviewing Beyon's social and charitable donations in line with the Company's social responsibilities.

As per the Charter the Directors are required to meet at least 2 times in a given financial year to discharge its responsibilities effectively.

During the year 2023, the Committee consisting of 3 Independent, Non- Executive Board members and 1 Non- Executive member and has met on 7 occasions on the following dates:

Members	9 Feb	16 Feb	1 Mar	13 Apr	13 Jun	12 Oct	31 Oct
Sh. Abdulla Al Khalifa (Chairman)	☎	☎	☎	☎	☎	☎	☎
Mr. Khalid Taqi (Deputy Chairman)	☎	☎	☎	☎	☎	☎	☎
Ms. Fatema Alarayedh (Member)	☎	☎	☎	☎	☎	☎	☎
Mr. Ahmad Mazhar (Member)	-	-	-	☎	☎	☎	☎
Mr. Raed Fakhri (Previous Member)	☎	☎	☎	-	-	-	-

Previous members served as committee members until 29 March 2023.

Executive Committee

The Executive Committee assists the Board in overseeing and reviewing Beyon's annual business plan, performance goals, financial performance, capital and operational expenditure M&A and the Company's Investment Portfolio review.

As per the Charter of the Executive Committee, the Directors are required to meet at least 4 times in a given financial year to discharge its responsibilities effectively.

During the year 2023, the Executive Committee consisting of 3 Independent, Non- Executive Board members and 1 Non- Executive member and has met on 10 occasions on the following dates:

Members	29 Jan	19 Feb	9 May	25 Jun	23 Jul	26 Jul	21 Sep	4 Oct	30 Oct	29 Nov
Mr. Khalid Taqi (Chairman)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Ahmad Mazhar (Deputy Chairman)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Ahmed Abdulrahman (Member)	-	-	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Saleh Romeih (Member)	-	-	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Raed Fakhri (Previous Member)	☎	☎	-	-	-	-	-	-	-	-
Mr. Abdulla Alhammadi (Previous Member)	☎	☎	-	-	-	-	-	-	-	-

Previous members served as committee members until 29 March 2023.

6. Corporate Governance Officer

The Company appointed Ms. Noor Bukamal as Corporate Governance Officer in December 2018; she has a master's degree in human resources management from Leeds Metropolitan University.

7. Details of any irregularities committed during the financial year

Nil

8. Cash and in-kind contributions made by the Company during the year 2023

The AGM last year approved a budget of BD 1.98M for the purpose of donation. The amount mentioned has been donated to different societies and causes that aimed to better the local community. Major contributions were given towards the Health, Community, Environment, Sports and Youth domains.

9. Ownership Structure

The Company is a Public Listed Company which its share capital is owned by various Government, Organizations and the General Public from different regions. The table below displays the details of the shareholders' equity and distribution:

Name	Number of Shares held	Percentage of shares held	Type	Shareholder Classification
1. Mumtalakat Holding Company	609,840,000	36.67%	Government	Local
2. Amber Holding Company	332,640,000	20%	Organization	Foreign
3. Social Insurance Organization	337,835,705	20.31%	Government	Local
4. Public	382,884,295	23.02%	Individuals, corporate, government and organizations	Local, Gulf, Arab, and Foreign

Shareholders who hold 5% or more of the Company's share capital as at 31/12/2023

According to the Company's share register as at 31/12/2023, there is no individual that holds over 5% of the Company's share capital.

Shareholders Distribution by Size of Ownership

The table below shows the distribution of Ownership of The Company shares by Size of Ownership:

Shareholding Amount	Number of Shareholders	Number of shares held	Percentage of shares held
Less than 50,000	9,797	32,510,205	1.95%
50,000 to 500,000	664	93,171,771	5.60%
500,000 to 5,000,000	113	143,486,933	8.63%
More than 5,000,000	9	1,394,031,091	83.82%
Total	10,583	1,663,200,000	100%

Significant events that occurred during the year 2023

In 2023, Beyon has established the following companies in which it owns a majority shareholding stake. The names of the established companies are as follows:

- 1) Beyon Money Investments B.S.C. Closed
- 2) Batelco Financial Services LTD (Located in Abu Dhabi)
- 3) Digital City Company W.L.L.

In 2023, the Company completed a couple of Merger & Acquisition transactions signing deals as follows:

- 1) Acquisition of Digital Transformation Solutions Holding Ltd by Beyon Cyber (Company Subsidiary)
- 2) Acquisition of Insomea by Beyon Solutions (Company Subsidiary)

10. Compliance with the provisions of the Corporate Governance Code, as follows

Principle	Non-Compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			✓	
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			✓	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			✓	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			✓	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			✓	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
Principle 8: The Company shall disclose its corporate governance.			✓	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	
*Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a. *				Not Applicable to The Company

* Applicable only to the companies offering Islamic services.

11. Any disclosures required by the regulatory authorities

Nil

Consolidated Financial Statements

31 December 2023

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Chairman's Report

For the year ended 31 December 2023

Chairman's Statement

On behalf of the Board of Directors, it gives me great pleasure to present the 42nd Annual Report of the Bahrain Telecommunications Company BSC (Beyon) and its subsidiaries and affiliates, for the year ended 31st December 2023.

Beyon achieved a number of milestone achievements during 2023, accomplished in line with its continuous transformation journey with a vision to be a digital powerhouse recognised in the region and internationally.

Beyon ended 2023 with strong financial results with a 2% year-on-year increase in net profit attributable to equity holders of BD72.0M (US\$191.0M). Gross revenues for the year of BD424.9M (US\$1,127.1M) are 5% above 2022, while EBITDA of BD171.1M (US\$453.8M) increased by 3% YoY with a healthy margin of 40%. Operating profit in 2023 stood at BD104.0M (US\$275.9M), 11% above the prior year.

Beyon's balance sheet remains strong with total assets of BD1,165.4M (US\$3,091.2M) and net assets of BD582.5M (US\$1,545.1M) as of 31 December 2023. The Company ended the year with substantial cash and bank balances of BD235.8M (US\$625.5M) and a robust Net Debt to EBITDA ratio of 0.7x.

Proposed Appropriations

Based on the financial results, the Board of Directors has recommended for the approval of shareholders, the following appropriations for the year 2023.

BD millions	2023	2022
Final cash dividends proposed	31.55	31.60
Exceptional one-time cash dividend	10.80	-
Interim cash dividends paid	22.35	22.33
Donations	3.60	1.98
Transfer to statutory reserve	-	-

Beyon is committed to delivering excellent returns to its shareholders and accordingly, the Board of Directors has recommended a full year cash dividend of BD64.7M (US\$171.6M), at a value of 39.0 fils per share which includes the regular dividend of 32.5 fils per share plus an additional special dividend of 6.5 fils per share, to be agreed at the Annual General Meeting. The 2023 interim dividend of 13.5 fils per share was already paid during the third quarter of 2023 with the remaining 25.5 fils to be paid following the AGM in March 2024.

Board and Management Remuneration

1. Board Remuneration

The total Board remuneration received during the year 2023 amounted to BD 586,611, this includes the annual board remuneration of the Company, its subsidiaries, sitting fees and other amounts paid to the Board of Directors. The table below includes the details of the Board remuneration for the year 2023:

(All amounts in BD)

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Others	Total	Remunerations of the chairman and BOD	Incentive plans	Others	Total			
First: Independent Directors:											
*Shaikh Abdulla bin Khalifa Al Khalifa – Chairman	100,910	5,250	-	106,160	-	-	-	-	-	106,160	-
*Shaikh Ali bin Khalifa Al Khalifa – Deputy Chairman	54,773	2,000	-	56,773	-	-	-	-	-	56,773	-
*Khalid Husain Taqi – Director	50,455	14,250	-	64,705	-	-	-	-	-	64,705	-
Abdulla Abdulrazak Bukhowa – Director	52,955	3,250	-	56,205	-	-	-	-	-	56,205	-
Ahmed Abdulwahed Abdulrahman – Director	50,455	8,000	-	58,455	-	-	-	-	-	58,455	-
*Ahmad Mazhar– Director	34,091	6,000	-	40,091	-	-	-	-	-	40,091	-
*Waleed bin Hindi– Director	28,409	1,000	-	29,409	-	-	-	-	-	29,409	-
**Previous Members											
*Raed Abdulla Fakhri – Deputy Chairman	5,682	2,500	-	8,182	-	-	-	-	-	8,182	-
Jean Christophe Durand – Director	13,864	1,500	-	15,364	-	-	-	-	-	15,364	-
*Major General Ali Saqer Al Noaimi – Director	12,614	2,000	-	14,614	-	-	-	-	-	14,614	-
Second: Non-Executive Directors:											
*Fatema Ghazi Alarayedh – Director	45,455	3,500	-	48,955	-	-	-	-	-	48,955	-
*Saleh Romeih– Director	30,743	3,000	-	33,743	-	-	-	-	-	33,743	-
*Daniel Ritz– Director	37,841	2,500	-	40,341	-	-	-	-	-	40,341	-
**Previous Members											
*Abdulla Abdulhameed Alhammadi – Director	12,614	1,000	-	13,614	-	-	-	-	-	13,614	-
Total	530,861	55,750	-	586,611	-	-	-	-	-	586,611	-

Notes:

- The Board Remuneration included in the above table is inclusive of the Annual Board Remuneration for the Directors and any Remuneration paid to the Directors serving on any of the company's subsidiary Boards.
- * Annual Board Remuneration shall be paid to the entity (shareholder) in which the board members represent.
- **Previous Members have served on the Board of Directors until March 2023.

Chairman's Report (continued)

For the year ended 31 December 2023

2. Executive Management Remuneration

Below is the total amount of remuneration paid to the 6 highest paid executives in the Company:

(All amounts in BD)

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
*Top 6 remunerations for executives, including CEO and CFO	919,081	474,405	338,485	1,731,971

* Any other cash/in kind remuneration includes shares given to the top 6 executive in line with the costs incurred by the Company during the year. The shares vested during the year amounted to BD 563,790.

While Beyon continues on its transformation journey, we are still achieving excellent results reflected by a 5% increase in revenues year over year and improved Earnings per Share of 43.6 fils for the year compared to an EPS of 42.5 for 2022. The Board of Directors is pleased with the solid performance which emphasizes the importance placed on meeting shareholders' expectations.

Beyon has an ambitious strategy to grow outside of Bahrain through strategic acquisitions and partnerships and by taking our digital brands into new regional and international markets. The Board of Directors is proud of the good progress achieved which includes acquisitions by Beyon Cyber and Beyon Solutions, while Beyon Connect established a joint venture in partnership with Egypt Post, and Beyon Money entered the UAE market.

To support the acceleration of Bahrain's digital transformation, Beyon undertook its biggest investment ever in advanced data centres and subsea cables, including becoming a consortium partner in the SMW6 cable. These achievements are possible due to the establishment of an ecosystem that encourages the growth of the digital sector and the economic prosperity in the Kingdom of Bahrain under the leadership of His Majesty King Hamad bin Isa Al Khalifa and with the support of His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister.

Whilst we engage in expansion and development of new services, sustainability continues to be important, and we remain committed to supporting the Kingdom's vision of achieving zero carbon neutrality by 2060. In line with this, we were pleased to announce the completion of the second phase of Beyon Solar Park, and our Data Centre at Beyon Data Oasis became the first in Bahrain to rely entirely on clean energy generated from our Solar Park.

On behalf of my colleagues on the Board, I extend appreciation to our shareholders for their trust. My personal thanks to my colleagues on the Board for their support during a very busy year as Beyon continues to elevate its growth and development plans. I also offer grateful thanks to all members of the Beyon family for their contributions leading to a strong performance for 2023.

Looking ahead we will continue our journey, focusing on implementing the next steps in our transformation strategy. The success of the past year gives us confidence that we are on the right path and that we have created a solid platform to achieve our goals.

Auditors

The Board of Directors will recommend the re-appointment of KPMG Fakhro as Beyon's auditors for the financial year ending 31st December 2024.

Abdulla bin Khalifa Al Khalifa
Chairman of the Board
Bahrain Telecommunications Company BSC
February 27th, 2024

Ali bin Khalifa Al Khalifa
Deputy Chairman of the Board
Bahrain Telecommunications Company BSC
February 27th, 2024



KPMG Fakhro
 Audit
 12th Floor, Fakhro Tower,
 P.O.Box 710, Manama,
 Kingdom of Bahrain

Telephone +973 17224807
 Telefax +973 17227443
 Website: www.kpmg.com/bh
 CR No. 6220 - 2

Independent Auditors’ Report to the Shareholders of Bahrain Telecommunications Company BSC Manama, Kingdom of Bahrain

Opinion

We have audited the consolidated financial statements of Bahrain Telecommunication Company BSC (the “Company”) and its subsidiaries (together the “Group”), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 1: Revenue recognition

Refer to the use of estimate and management judgement in note 5, the material accounting policies in note 8 (c) and disclosure in note 26 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because:</p> <ul style="list-style-type: none"> – There is an inherent risk around the accuracy of revenue recorded given the complexity of systems involved in processing revenue transactions and the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts, etc.). – The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. 	<p>Our audit approach included controls testing and substantive procedures for key revenue streams covering, in particular:</p> <ul style="list-style-type: none"> – testing the IT environment in which rating, billing and other relevant support systems reside, including the change control procedures in place around systems that bill material revenue streams; – testing the controls and governance processes over reconciliation from business support systems to rating and billing systems to the general ledger; – performing tests on the accuracy of customer bill generation including credits and discounts applied to customer bills on a sample basis; – performing tests on allocation of revenue for bundled contracts and recognition of revenue on multi-element contracts; – performing tests on accuracy of allocation and recording unbilled revenue representing good and service obligations performed but not billed yet; and – evaluating the adequacy of the Group disclosures related to revenue recognition by reference to the relevant accounting standards.

Independent Auditors' Report to the Shareholders of (continued)

Bahrain Telecommunications Company BSC

Manama, Kingdom of Bahrain

Key audit matter 2: Carrying value of goodwill

Refer to the use of estimate and management judgement in note 5 and material accounting policy in note 8(n)(ii) and disclosure in note 11 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2023, the Group's consolidated financial statements includes recognised goodwill of BD 137.8 million which arose from the acquisition of subsidiaries.</p> <p>– Impairment charges on goodwill have been recognized in the prior periods. An assessment is required annually to establish whether this goodwill should continue to be recognized or if any impairment is required. The impairment assessment relies on determining the recoverable amount of the investment in the subsidiary or a cash generating unit using valuation techniques such as discounted cash flows. The estimation of future cash flows and the rate at which they are discounted is inherently uncertain and requires significant judgement and hence has been identified as a key area of audit focus.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> – understanding of the Group's budgeting process upon which the forecasts are based; – we involved our own valuation specialists to assist us in: <ul style="list-style-type: none"> • evaluating the appropriateness of the methodology used by the Group to assess impairment of goodwill; and • evaluating key inputs and assumptions in cash flow projections used by the Group in comparison to externally derived data as well as our own assessments of investee specific circumstances and experience in the related industry, in particular its derivation of discount rates, long term growth rates, revenue and EBITDA margins and comparing progress against stated business plans. – evaluating the adequacy of the Group disclosures related to goodwill impairment by reference to the relevant accounting standards.

Key audit matter 3: Capitalisation and useful lives of network assets and telecom equipment, and other intangible assets

Refer to the use of estimate and management judgement in note 5, material accounting policy in notes 8(d) and 8(f) and disclosures in note 9 and 12 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because there are a number of areas where management judgement impacts the carrying value of network assets and telecom equipment, and other intangible assets and their respective depreciation/ amortisation profiles. These include:</p> <ul style="list-style-type: none"> – The decision to capitalise or expense costs; – The timeliness of the transfer from assets in the course of construction/ deployment to relevant capitalized asset categories; and – The annual review of the useful life of the assets including the impact of changes in the Group's strategy. 	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> – we tested controls in place over the fixed asset cycle, the acquisition process and evaluated the appropriateness of capitalisation policies, and assessed the timeliness of the transfer of assets in the course of construction; – we assessed the nature of costs incurred and capitalised in capital projects through testing of amounts recorded and assessing whether the expenditure incurred met capitalisation criteria; – we tested the controls over the annual review of useful life of assets. In addition, we tested whether the Group's decisions on useful life of asset are appropriate by considering our knowledge of the business and practice in the wider telecoms industry; and – evaluating the adequacy of the Group disclosures related to capitalisation and useful life of network assets and telecom equipment and other intangible assets by reference to the relevant accounting standards.

Independent Auditors' Report to the Shareholders of (continued)

Bahrain Telecommunications Company BSC

Manama, Kingdom of Bahrain

Other Information

The board of directors is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the chairman's report which forms part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report to the Shareholders of (continued)

Bahrain Telecommunications Company BSC

Manama, Kingdom of Bahrain

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Regulatory Requirements

1) As required by the Commercial Companies Law, we report that:

- a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- b) the financial information contained in the chairman's report is consistent with the consolidated financial statements;
- c) we are not aware of any violations during the year of the Commercial Companies Law or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its financial position; and
- d) satisfactory explanations and information have been provided to us by management in response to all our requests.

2) As required by the Ministry of Industry and Commerce in their letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that the Company has:

- a) a corporate governance officer; and
- b) a Board approved written guidance and procedures for corporate governance.

The engagement partner on the audit resulting in this independent auditors' report is Salman Manjlai.



KPMG Fakhro

Partner Registration Number 213

27 February 2024

Consolidated Statement of Financial Position

As at 31 December 2023

BD'000

	Note	2023	2022
ASSETS			
Non-current assets			
Property and equipment	9	366,838	304,210
Right-of-use assets	10	55,606	56,845
Goodwill	11	137,775	134,738
Other intangible assets	12	162,461	147,646
Equity accounted investees	13	8,541	7,160
Deferred tax assets	14	6,375	6,671
Investments	16	35,371	17,063
Other non-current assets		6,706	5,076
Total non-current assets		779,673	679,409
Current assets			
Inventories		7,433	5,582
Trade and other receivables	17	142,201	159,493
Investments	16	291	3,537
Cash and bank balances	18	235,767	253,844
Total current assets		385,692	422,456
Total assets		1,165,365	1,101,865
LIABILITIES			
Non-current liabilities			
Trade and other payables	19	60,769	45,051
Lease liabilities	10	45,776	47,815
Loans and borrowings	21	244,198	229,603
Deferred tax liabilities	14	5,729	6,141
Total non-current liabilities		356,472	328,610
Current liabilities			
Trade and other payables	19	207,027	218,272
Lease liabilities	10	8,627	8,066
Loans and borrowings	21	10,696	4,595
Total current liabilities		226,350	230,933
Total liabilities		582,822	559,543
Net assets		582,543	542,322
EQUITY			
Share capital	23	166,320	166,320
Statutory reserve	24	86,188	84,060
General reserve	24	44,000	44,000
Other reserves		(28,173)	(47,602)
Treasury shares	25	(4,428)	(4,932)
Retained earnings		268,404	254,521
Total equity attributable to equity holders of the Company		532,311	496,367
Non-controlling interest		50,232	45,955
Total equity (Page 86)		582,543	542,322

The consolidated financial statements were approved by the Board of Directors on 27 February 2024 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 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

BD'000

	Note	2023	2022
Revenue	26	424,904	402,823
Expenses			
Network operating expenses	27	(150,040)	(130,242)
Staff costs		(55,518)	(53,246)
Depreciation, amortisation and intangible assets impairment	9,10,12	(67,088)	(71,758)
Impairment loss on trade receivables and contract assets	17	(1,877)	(2,881)
Other operating expenses	28	(46,416)	(51,066)
Total expenses		(320,939)	(309,193)
Results from operating activities		103,965	93,630
Finance and related income		8,265	5,142
Finance and related expenses		(23,403)	(15,633)
Other income - net	29	1,062	4,909
Share of profit from equity accounted investees (net)		1,079	21
Profit before taxation		90,968	88,069
Income tax expense	14	(8,932)	(7,711)
Profit for the year		82,036	80,358
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences - foreign operations		3,375	(8,763)
Investment fair value changes (debt securities)		28	(162)
		3,403	(8,925)
<i>Items that will never be reclassified to profit or loss:</i>			
Investment fair value changes (equity securities)		16,171	(3,180)
		16,171	(3,180)
Total other comprehensive income, net of tax		19,574	(12,105)
Total comprehensive income for the year		101,610	68,253
Profit for the year attributable to:			
Equity holders of the Company		72,049	70,324
Non-controlling interest		9,987	10,034
		82,036	80,358
Total comprehensive income for the year attributable to:			
Equity holders of the Company		91,623	58,219
Non-controlling interest		9,987	10,034
		101,610	68,253
Basic and diluted earnings per share (Fils)	30	43.6	42.5

Abdulla bin Khalifa Al Khalifa
Chairman

Ali bin Khalifa Al Khalifa
Deputy Chairman

Mikkel Vinter
Chief Executive Officer

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

BD'000

	Note	2023	2022
Operating Activities			
Profit for the year		82,036	80,358
Adjustment for:			
Non-operating items, including tax		23,008	13,293
Share of profit from equity accounted investees (net)	13	(1,079)	(21)
Depreciation, amortisation and intangible asset impairment		67,088	71,758
Impairment loss on trade receivables and contract assets	17	1,877	2,881
		172,930	168,269
Working capital changes:			
Decrease / (increase) in trade and other receivables		6,499	(19,357)
(Increase) / decrease in inventories		(1,797)	3,104
(Decrease) / increase in trade and other payables		(801)	17,137
Cash generated from operating activities		176,831	169,153
Taxes paid		(8,600)	(7,512)
Payment to charities		(2,809)	(1,805)
Net cash from operating activities		165,422	159,836
Investing Activities			
Acquisition of property, equipment and intangibles, net of disposals		(125,109)	(64,789)
Acquisition of business, net of cash acquired	35	(880)	-
Net cash from sale of investments		10,043	42,606
Interest and investment income received		9,043	7,551
Net cash used in investing activities		(106,903)	(14,632)
Financing Activities			
Dividend paid		(57,325)	(59,448)
Payment of lease liabilities		(11,744)	(11,614)
Interest paid		(17,171)	(10,047)
Borrowings drawn, net		21,704	6,435
Sale / (acquisition) of treasury shares, net		312	(260)
Sale / (purchase) of market making share, net		192	(94)
Net cash used in financing activities		(64,032)	(75,028)
(Decrease) / increase in cash and cash equivalents during the year		(5,513)	70,176
Cash and cash equivalents at 1 January	18	208,903	138,727
Cash and cash equivalents at 31 December	18	203,390	208,903

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

BD'000

2023	Note	Equity attributable to equity holders of the Company											Non-controlling interest	Total equity
		Other Reserves					Treasury shares							
		Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares	Retained earnings	Total			
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 year		-	-	-	-	-	-	-	-	72,049	72,049	9,987	82,036	
Other comprehensive income														
Foreign currency translation differences		-	-	-	3,375	-	-	-	-	-	3,375	-	3,375	
Investment fair value changes		-	-	-	-	16,199	-	-	-	-	16,199	-	16,199	
Total other comprehensive income		-	-	-	3,375	16,199	-	-	-	-	19,574	-	19,574	
Total comprehensive income for the year		-	-	-	3,375	16,199	-	-	-	72,049	91,623	9,987	101,610	
Contributions and distributions														
Final dividends declared for 2022	31	-	-	-	-	-	-	-	-	(31,447)	(31,447)	-	(31,447)	
Interim dividend declared for 2023	31	-	-	-	-	-	-	-	-	(22,345)	(22,345)	-	(22,345)	
Donations approved for 2022		-	-	-	-	-	-	-	-	(2,246)	(2,246)	-	(2,246)	
Sale of market making shares	25	-	-	-	-	-	-	192	-	-	192	-	192	
Acquisition of treasury shares		-	-	-	-	-	-	-	(453)	-	(453)	-	(453)	
Equity-settled share-based payment	25	-	-	-	-	-	(145)	-	765	-	620	-	620	
Transfer to statutory reserve	24	-	2,128	-	-	-	-	-	-	(2,128)	-	-	-	
Non-controlling interest recognised on acquisition	35	-	-	-	-	-	-	-	-	-	-	828	828	
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(6,538)	(6,538)	
Total contributions and distributions		-	2,128	-	-	-	(145)	192	312	(58,166)	(55,679)	(5,710)	(61,389)	
At 31 December 2023		166,320	86,188	44,000	(20,261)	(8,471)	559	(3,599)	(829)	268,404	532,311	50,232	582,543	

2022	Note	Equity attributable to equity holders of the Company											Non-controlling interest	Total equity
		Other Reserves					Treasury shares							
		Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares	Retained earnings	Total			
At 1 January 2022		166,320	83,285	44,001	(4,873)	(21,328)	533	(3,697)	(881)	236,236	489,596	41,087	530,683	
Profit for the year		-	-	-	-	-	-	-	-	70,324	70,324	10,034	80,358	
Other comprehensive income														
Foreign currency translation differences		-	-	-	(8,763)	-	-	-	-	-	(8,763)	-	(8,763)	
Investment fair value changes		-	-	-	-	(3,342)	-	-	-	-	(3,342)	-	(3,342)	
Total other comprehensive income		-	-	-	(8,763)	(3,342)	-	-	-	-	(12,105)	-	(12,105)	
Total comprehensive income for the year		-	-	-	(8,763)	(3,342)	-	-	-	70,324	58,219	10,034	68,253	
Contributions and distributions														
Final dividends declared for 2021	31	-	-	-	-	-	-	-	-	(27,443)	(27,443)	-	(27,443)	
Interim dividend declared for 2022	31	-	-	-	-	-	-	-	-	(22,175)	(22,175)	-	(22,175)	
Donations approved for 2021		-	-	-	-	-	-	-	-	(1,647)	(1,647)	-	(1,647)	
Purchase of market making shares	25	-	-	-	-	-	-	(94)	-	-	(94)	-	(94)	
Acquisition of treasury shares		-	-	-	-	-	-	-	(361)	-	(361)	-	(361)	
Equity-settled share-based payment	25	-	-	-	-	-	171	-	101	-	272	-	272	
Transfer from General reserve	24	-	1	(1)	-	-	-	-	-	-	-	-	-	
Transfer to Statutory reserve	24	-	774	-	-	-	-	-	-	(774)	-	-	-	
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(5,166)	(5,166)	
Total contributions and distributions		-	775	(1)	-	-	171	(94)	(260)	(52,039)	(51,448)	(5,166)	(56,614)	
At 31 December 2022		166,320	84,060	44,000	(23,636)	(24,670)	704	(3,791)	(1,141)	254,521	496,367	45,955	542,322	

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

BD'000

1. Reporting Entity

Bahrain Telecommunications Company BSC (the "Company", the "Parent") was incorporated as public shareholding company registered under commercial registration number 11700 in the Kingdom of Bahrain in the year 1981 and is engaged in the provision of public telecommunications and associated products and services. The consolidated financial statements for the year ended 31 December 2023 comprise the financial statements of the Company, and its subsidiaries (together referred to as the "Group", "Beyon" and individually as "Beyon entities") and the Beyon's interest in associates. The registered office of the Company is P.O. Box 14, Manama, Kingdom of Bahrain. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group. The country of incorporation or registration is also their principal place of business. The significant subsidiaries and equity accounted investees of the Group included in these consolidated financial statements are as follows:

Company	Country of incorporation	Principal activity	2023 Share Holding (%)	2022 Share Holding (%)
Subsidiaries				
Bahrain Network (BNET) B.S.C Closed	Kingdom of Bahrain	Telecommunication services	100	100
Batelco Financial Services Company B.S.C (c)	Kingdom of Bahrain	Digital financial services	100	100
Batelco Remittance Service B.S.C (c)	Kingdom of Bahrain	Digital financial services	100	100
Beyon Connect Company B.S.C (c)	Kingdom of Bahrain	Digital services	100	100
Beyon Cyber W.L.L.	Kingdom of Bahrain	Digital security services	100	100
Beyon Solutions W.L.L.	Kingdom of Bahrain	Digital solution services	100	100
Beyon Money Investments B.S.C. Closed	Kingdom of Bahrain	Investment Business Firm	100	100
Batelco International Infrastructure Company W.L.L	Kingdom of Bahrain	Selling and buying shares and securities	100	100
Call Center Company C3 W.L.L	Kingdom of Bahrain	Call center activities	100	100
Batelco Financial Services Ltd	United Arab Emirates	Digital financial services	100	100
Public Square KSA	Kingdom of Saudi Arabia	Digital financial services	100	100
Digital Transformation Solution Holding	United Arab Emirates	Transformation Solution Holding	60*	-
DTS Solution LLC	Republic of Armenia	IT Services	60*	-
DTS Solution Cyber Security Limited	United Kingdom	Information technology consultancy activities	60*	-
DTS Solution for Computer and Electronic Equipment Company .WLL	Kuwait	Computer devices and electric devices	60*	-
Delta Information Technologies LLC	United Arab Emirates	Computer Infrastructure Establishment, Institution and Maintenance	60*	-
DTS Solution LLC	United Arab Emirates	Computers and peripheral equipment trading	60*	-
Digital City Company W.L.L	Kingdom of Bahrain	Real estate services	100	100
Batelco Middle East Holding Co. B.S.C (c)	Kingdom of Bahrain	Holding Company	100	100
Batelco International Company B.S.C (c)	Kingdom of Bahrain	Holding Company	100	100
Batelco Middle East Jordan LLC	Hashemite Kingdom of Jordan	Holding Company	100	100
Umniah Mobile Company PSC	Hashemite Kingdom of Jordan	Telecommunication services	96	96
Batelco Jordan PSC	Hashemite Kingdom of Jordan	Telecommunication services	96	96
Urcell Telecom & Technologies Services LLC	Hashemite Kingdom of Jordan	Telecommunication services	96	96
Umniah for Renewable energy	Hashemite Kingdom of Jordan	Renewable energy	96	96
Al-Huloul Al-Malyeh Leldafea Belhatef Anaqal ("Alhuloul")	Hashemite Kingdom of Jordan	Digital services	63.36	63.36

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

BD'000

1. Reporting Entity (continued)

Company	Country of incorporation	Principal activity	2023 Share Holding (%)	2022 Share Holding (%)
Delmon for Telecommunications and Internet Services	Hashemite Kingdom of Jordan	Telecommunications and Internet Services	100	100
Dhivehi Raajjeyge Gulhun Plc (Dhiraagu)	Republic of Maldives	Telecommunication services	52	52
Dhiraagu Fintech PVT Limited	Republic of Maldives	Digital financial services	52**	-
Sure (Guernsey) Limited	Guernsey	Telecommunication services	100	100
Sure (Jersey) Limited	Bailiwick of Jersey	Telecommunication services	100	100
Foreshore Limited	Bailiwick of Jersey	Telecommunication services	100	100
Sure (Isle of Man) Limited	Isle of Man	Telecommunication services	100	100
Sure (Diego Garcia) Limited	Bermuda	Telecommunication services	100	100
Sure South Atlantic Limited	Falkland Islands	Telecommunication services	100	100
BMIC Limited	Republic of Mauritius	Holding Company	100	100
Batelco Egypt Communications (S.A.E.)	Arab Republic of Egypt	Telecommunication services	100	100
Batelco International Group Holding Limited	Bailiwick of Jersey	Holding Company	100	100
Batelco International Finance No1 Limited	Cayman Islands	Holding Company	100	100
BTC Islands Limited	United Kingdom	Holding Company	100	100
BTC Sure Group Limited	United Kingdom	Holding Company	100	100
Equity accounted investees Yemen Company for Mobile Telephony Y.S.C ("Sabafon")	Republic of Yemen	Telecommunication services	26.94	26.94
The Jordanian Company for Advanced Optical Fiber - (FiberTech)	Hashemite Kingdom of Jordan	Telecommunication services	49	49
Advanced Regional Communication Solutions Holding Limited (ARC)	United Arab Emirates	Telecommunication services	50	50
Post Connect for Information Technology and communication S.A.E.	Arab Republic of Egypt	Digital Services	20***	-

*Refer note 35 for the acquisition of Digital Transformation Solutions

** Pertains to new subsidiary formed on 31 December 2023 in Maldives

***Refer note 13 for the investment in Post Connect for Information Technology

2. Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the requirements of the Commercial Company Law and Central Bank of Bahrain's Disclosure requirements for listed entities. They were authorised for issue by the Company's board of directors on 27 February 2024.

Details of the Group's material accounting policies, including changes thereto, are included in note 8.

3. Functional and presentation currency

The consolidated financial statements are presented in Bahraini Dinars ("BD"), which is also the Company's functional currency. All amounts have been rounded to the nearest thousand (BD '000), unless otherwise indicated.

4. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for measurement of certain investments that are stated at their fair values.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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5. Use of estimates and judgment

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the Group's material accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

a) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

• Note 8 (c)	Revenue recognition: estimates of expected returns;
• Note 8 (a)(v)	Impairment of carrying value of associates;
• Note 8 (n)(ii)	Impairment of intangible assets and goodwill: key assumptions underlying recoverable amounts;
• Note 8 (n)(i)	Measurement of Expected Credit Loss ("ECL") allowance for trade receivables and contract assets: key assumptions underlying ECL allowance calculation;
• Note 8 (m)	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
• Note 8 (r)	Recognition of deferred tax assets: availability of future taxable profits against deductible temporary difference and tax losses carried forward can be utilised.

b) Judgements

Information about judgements made in applying material accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

• Note 8 (c)	Revenue recognition, identification of performance obligation and whether revenue from contracts with customers should be recognised over time or at a point in time;
• Note 8 (a)	Equity-accounted investees: whether the Group has significant influence over an investee;
• Note 8 (a)	Consolidation: whether the Group has de facto control over an investee;
• Note 8 (d),(f)	Useful life of property, equipment, and other intangible assets; and
• Note 8 (g)	Lease term Right-of-use assets: whether the Group is reasonably certain to exercise extension options.

c) Measurement of fair values

A number of the Group's material accounting policies and disclosure require the measurement of fair values, for both financial and non-financial assets and liabilities.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted market price (unadjusted) in an active market for an identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the input used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

• Note 32 & 33	Financial instruments
• Note 16	Investments
• Note 15 (c)	Share based payment arrangements

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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6. Changes in material accounting policies

The details of the material accounting policies are set out in note 8. There were no significant changes in the material accounting policies during the year.

7. New standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments and interpretations to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however; the Group has not early applied the following new standards, amendments and interpretations in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure Initiative: Accounting Policies – Amendments to IAS 1 Presentation of Financial Statements
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes

8. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by the Group entities.

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset of group of similar assets.

The consideration transferred in acquisition is generally measured at its fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in the consolidated profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through

its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)*v) Interest in equity-accounted investees*

The Group interest in equity-accounted investees comprises interest in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of income and expenses and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases. Associates are assessed for impairment.

The net investment in an associate or joint venture is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency*(i) Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Exchange differences arising on the settlement of monetary items and on retranslation are recognised in profit or loss.

Non-Monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translations of an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI) are classified to profit or loss.

(ii) Financial statements of foreign operations

The assets and liabilities of the Group's subsidiaries and associates based outside the Kingdom of Bahrain ("foreign operations"), including goodwill and fair value adjustments arising on acquisition, are translated into Bahraini Dinars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Bahraini Dinars at average exchange rates prevailing during the year.

Foreign currency differences are recognised in the other comprehensive income and presented in equity as a foreign currency translation reserve. Foreign currency differences are accumulated into foreign currency translation reserve in owners' equity, except to the extent the translation difference is allocated to NCI.

When foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve is reclassified to consolidated profit or loss as part of the gain or loss on disposal.

c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Nature of goods and service*(i) Sale of equipment*

Revenue from handset and other equipment sales is recognised when the product is delivered, and on transfer of control to the customer.

If revenue arrangements from bundled contracts include more than one Performance Obligation (PO), the arrangement consideration is allocated to each performance obligation based on their relative standalone selling price (SSP).

For equipment sold with the right of return after the control has been passed onto the customer, the Group defers revenue based on the expected returns per the historical return data for the last 24 months. Such revenue will need to be recognized only when the related return period expires.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)

(ii) Provision of Network Services

Revenue for access charges, airtime usage and messaging by contract customers is recognised as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred.

Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires. Deferred revenue related to unused airtime is recognised when utilised by the customer. Upon termination of the customer contract, all deferred revenue for unused airtime is recognised in the profit or loss.

Revenue from interconnect fees is recognised at the time the services are performed. Revenue from data services is recognised when the Group has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service.

(iii) Contract Costs

Contract costs that are incremental in obtaining a contract with a customer are capitalized and amortised over the period of related revenues. Applying the practical expedient per IFRS15, the Group recognises incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

(iv) Contract assets

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.

(v) Contract liabilities

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.

d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

The cost includes expenditures that are directly attributable to the acquisition cost of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing an asset to its working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they were located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. On-going repair and maintenance are expensed as incurred.

(iii) Depreciation and useful life assessment

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of a property and equipment. Assets are depreciated from the date they are available for use or, in respect of self-constructed assets, from the time an asset is completed and ready for service. Freehold land, projects in progress and inventories held for capital projects are not depreciated. The estimated useful lives for the current and comparative period are as follows:

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)

Asset class	Current Estimated useful life (Years)
Buildings	5 - 50
Network assets & telecom equipment	2 - 40
Motor vehicles, furniture, fittings & office equipment	2 - 10

Depreciation methods, useful lives and residual values, are reassessed and adjusted, if appropriate, at the year end.

(iv) Impairment

Where there has been an indication of impairment in value such that the recoverable amount of an asset falls below its net book value, provision is made for such impairment. Wherever possible, individual assets are tested for impairment. However, impairment can often be tested only for groups of assets because the cash flows upon which the calculation is based do not arise from the use of a single asset.

In these cases, impairment is measured for the smallest group of assets (the cash generating unit) that produces a largely independent income stream, subject to constraints of practicality and materiality.

e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both and that is not occupied by the Group for use in rendering of its services or for administrative purposes. Investment property is initially measured at cost (using the cost model), including related transaction costs and borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property, less accumulated depreciation and impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Rental income from investment property is recognised as other income in straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

f) Goodwill and other intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less any accumulated impairment losses. Goodwill is not amortised but tested for impairment annually at the balance sheet date.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

License fees, trade name, customer relationships & associated assets, non-network software and Indefeasible Rights of Use (IRUs), acquired or incurred by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases future economic benefits embodied in specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.

(i) Amortisation and useful life assessment

Amortisation is recognised in the profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Asset class	Estimated useful life (Years)
License fees	7 - 20
Trade name, customer relationships, non-network software and IRUs	3 - 20

Amortisation methods, useful lives and residual values, are reviewed at each reporting date and adjusted, if appropriate.

g) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and lease of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties as well as leased property (see Note 10). All leases are classified as operating leases from a lessor perspective.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)**h) Operating profit**

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, impairment and share of profit of equity-accounted investees and income taxes.

i) Financial instruments*(i) Recognition and initial measurement*

All "regular way" purchases and sales of financial assets are recognised on the settlement date, i.e. the date that the Group receives or delivers the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe generally established by regulation or convention in the market place.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is measured initially at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financial component is initially measured at the transaction price.

*(ii) Classification and subsequent measurement***Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

A financial asset (which is not an equity instrument) is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

The Group currently classified all its receivables and financial liabilities at amortised cost except for contingent consideration payable which is measured at FVTPL and investments (debt and equity) which are carried at either FVTPL or FVOCI.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of ownership or (b) when it has neither transferred or retained substantially all the risks and rewards and when it no longer has control over the financial asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/ loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Notes to the Consolidated Financial Statements (Continued)

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8. Material accounting policies (continued)**Write-off**

A financial asset is written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the obligor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group currently has certain debt securities measured at FVOCI and equity investment designated as at FVOCI. For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- Interest expense using the effective interest method;
- Expected Credit Losses (ECL) and reversals; and
- Foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable. Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

j) Government grant

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as a reduction of associated cost in the periods in which the expenses are recognised.

k) Share capital

The Company has one class of equity shares. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Inventories comprise of mobile handsets, cable and wires and other inventories.

m) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the year end and are discounted to present value where the effect is material.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Notes to the Consolidated Financial Statements (Continued)

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8. Material accounting policies (continued)

n) Impairment

(i) Financial assets

The Group measures loss allowances for its trade and other receivables arising from its revenue generating activities at an amount equal to lifetime Expected Credit Loss (ECL) using the simplified approach permitted under Financial Instruments ("IFRS 9"). For other financial instruments, the Group applies the general approach, where if credit risk has not increased significantly since their initial recognition, impairment is measured as 12-month ECL and for all other instances lifetime ECL is recognised.

For trade and other receivables including contract asset, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Under the general approach, the Group applies three-stage approach to measuring ECL on financial assets carried at amortised cost (including long term loans included within the carrying value of investment in associates) and debt instruments classified as FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

a) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

b) Stage Classification: General approach

Stage 1: 12 months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)**o) Employee benefits****(i) Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Local employees

Pension rights and other social benefits for the Group's employees are covered by the applicable social insurance scheme of the countries in which they are employed are considered as a defined contribution scheme. The employees and employers contribute monthly to the scheme on a fixed-percentage-of-salaries basis.

(iii) Expatriate employees

Expatriate employees on limited-term contracts are entitled to leaving indemnities payable under the respective labour laws of the countries in which they are employed, based on length of service and final remuneration. Provision for this unfunded commitment has been made by calculating the notional liability had all employees left at the reporting date.

(iv) Defined benefit scheme

The Group's net obligation of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when settlement occurs.

(v) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(vi) Employee savings scheme

The Company has a voluntary employees saving scheme. The employees and employers contribute monthly on a fixed-percentage-of-salaries-basis to the scheme. The scheme is a defined contribution plan.

(vii) Employee share awards

The fair value of share awards granted under the Group Employee Share Awards Plan ("Plan") is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awards granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The Plan is administered by the Employee Share Trust ("Trust"), which is consolidated in accordance with the principles defined in note 15. When the shares are granted at the end of vesting period, the Trust transfers the appropriate amount of shares to the employee. The difference between the value of shares transferred to the employee and treasury shares purchased earlier for this purpose is credited or debited to retained earnings.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)

(viii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

p) Finance and related income

The Group's finance and related income includes:

- interest income;
- dividend income;
- foreign currency gain on financial assets and financial liabilities;
- net gain on financial assets at FVTPL; and
- gain on remeasurement to fair value of any pre-existing interest in an acquiree in a business combination.

Interest income is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of asset (when the asset is not credit-impaired).

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

q) Finance and related expenses

The Group's finance and related expense includes:

- interest expense;
- foreign currency loss on financial liabilities; and
- net loss on financial assets at FVTPL.

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the gross carrying amount of the financial liability.

In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the amortised cost of the liability.

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs are directly attributable to the construction of an asset that takes a substantial period to get ready for its intended use or sale, in which case borrowing costs are capitalised as part of that asset.

r) Tax

Tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or other comprehensive income.

(i) Current tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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8. Material accounting policies (continued)

s) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. The diluted earnings per share is the same as the basic earnings per share as the Group does not have any dilutive instruments in issue.

t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (refer to note 40). The Group primarily identifies its segment on the basis of geographical operations that are managed as a single performance unit for the purpose of internal reporting to its Board of Directors.

u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

v) Asset held-for-sale

(i) Classification

The Group classifies non-current assets as held-for-sale if its carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable in accordance with IFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations".

(ii) Measurement

Non-current assets classified as held-for-sale are measured at the lower of its carrying amount and fair value less costs to sell.

If the criteria for classification as held-for-sale are no longer met, the Group ceases to classify the asset as held-for-sale and measures the asset at the lower of its carrying amount before the asset was classified as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held-for-sale and its recoverable amount at the date of the subsequent decision not to sell.

w) Asset under management

Beyon entity acts as a trustee in other fiduciary capacities that result in the holding and placing of assets on behalf of individuals. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets or income of the Group.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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9. Property and Equipment

2023	Land and buildings	Network assets & telecom equipment	Motor vehicles, furniture, fittings & office equipment	Assets under construction	Total
Cost					
At 1 January	84,214	547,162	95,679	80,473	807,528
Additions	-	35,985	1,968	65,804	103,757
Projects completed	408	30,293	6,295	(36,996)	-
Acquisition through business combination (note 35)	-	-	9	-	9
Disposals	(284)	(35,950)	(3,975)	(2)	(40,211)
Reclassification to other intangible assets	-	-	-	(2,120)	(2,120)
Effect of movements in exchange rates	251	2,337	1,295	350	4,233
At 31 December	84,589	579,827	101,271	107,509	873,196
Depreciation					
At 1 January	(57,964)	(367,224)	(78,130)	-	(503,318)
Charge for the year	(933)	(32,656)	(5,405)	-	(38,994)
Disposals	246	34,796	3,927	-	38,969
Effect of movements in exchange rates	(218)	(1,755)	(1,042)	-	(3,015)
At 31 December	(58,869)	(366,839)	(80,650)	-	(506,358)
Net book value At 31 December	25,720	212,988	20,621	107,509	366,838

For a list of properties owned and rented by the Company, please refer to note 41.

2022	Land and buildings	Network assets & telecom equipment	Motor vehicles, furniture, fittings & office equipment	Assets under construction	Total
Cost					
At 1 January	84,389	672,130	52,570	60,863	869,952
Additions	-	9,238	484	51,116	60,838
Projects completed	354	22,744	3,106	(26,204)	-
Disposals	(37)	(10,083)	(1,341)	(62)	(11,523)
Reclassification from/ (to) other intangible assets	46	(141,715)	43,586	(4,822)	(102,905)
Effect of movements in exchange rates	(538)	(5,152)	(2,726)	(418)	(8,834)
At 31 December	84,214	547,162	95,679	80,473	807,528
Depreciation					
At 1 January	(57,222)	(473,002)	(39,234)	-	(569,458)
Charge for the year	(1,043)	(33,171)	(5,379)	-	(39,593)
Disposals	25	8,927	1,297	-	10,249
Reclassification (from)/ to other intangible assets	(62)	126,266	(36,919)	-	89,285
Effect of movements in exchange rates	338	3,756	2,105	-	6,199
At 31 December	(57,964)	(367,224)	(78,130)	-	(503,318)
Net book value At 31 December	26,250	179,938	17,549	80,473	304,210

Notes to the Consolidated Financial Statements (Continued)

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10. Right-of-Use Assets and Lease Liabilities

The Group leases telecom sites, retail shops and others, with an option to renew the lease after that date. Lease payments are renegotiated at the time of signing the new contract to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indicators. For certain leases, the Group is restricted from entering into any sub-lease arrangement.

a) Right-of-Use Assets

Information about leases for which the Group is a lessee is presented below. Right-of-use assets relate to leased properties that do not meet the definition of investment property.

	Land and buildings	Network assets and telecom equipment	Motor vehicles, furnitures, fittings & office equipment	Total
2023				
Balance at 1 January	56,132	407	306	56,845
Additions	7,807	38	-	7,845
Amortisation charge for the year	(8,680)	(122)	-	(8,802)
Adjustments*	(504)	-	(306)	(810)
Effect of movements in exchange rates	528	-	-	528
Balance at 31 December	55,283	323	-	55,606
2022				
Balance at 1 January	54,319	545	306	55,170
Additions	12,164	-	41	12,205
Amortisation charge for the year	(8,671)	(113)	(41)	(8,825)
Adjustments*	(585)	(25)	-	(610)
Effect of movements in exchange rates	(1,095)	-	-	(1,095)
Balance at 31 December	56,132	407	306	56,845

* These balances represent cancellations of leases before the contract expiry.

b) Lease Liabilities

	2023	2022
Non-current	45,776	47,815
Current	8,627	8,066
Balance at 31 December	54,403	55,881

	2023	2022
Amounts recognised in profit or loss		
Interest on leases liabilities	3,397	3,424
Expenses relating to short-term leases/ low value leases (note 27)	4,650	5,017

c) Leases as lessor

The Group leases out its owned commercial properties on agreed commercial terms, and leases are classified as operating leases.

Notes to the Consolidated Financial Statements (Continued)

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11. Goodwill

	2023	2022
At 1 January	134,738	137,259
Goodwill recognized during the year*	1,972	-
Exchange rate adjustments	1,065	(2,521)
At 31 December	137,775	134,738

* Goodwill recognized during the year relates to the acquisition of a group of companies by the Group. See note 35.

a) Analysis of Goodwill

Goodwill has been allocated to the following operating segments/ cash generating units (CGUs):

	2023	2022
Bahrain (note 35)	1,972	-
Jordan	91,710	91,757
Maldives	21,871	21,871
Sure Group	22,188	21,077
Others	34	33
	137,775	134,738

b) Impairment of goodwill

(i) The Group tests for impairment of goodwill annually or more frequently if there are any indications that impairment may have arisen. The recoverable amount of a Cash Generating Unit (CGU) has been determined based on fair value less costs to sell. Fair value less costs to sell is estimated by using a combination of the capitalised earnings approach and a market approach comparing the same with those of other telecom companies within the region.

(ii) The key assumptions for the fair value less costs to sell calculations are those relating to discount rates, the long-term growth rates, penetration and market share assumptions, average revenues per user, earnings before interest, taxation, depreciation and amortisation ("EBITDA") and capital expenditure to sales ratio. These calculations use cash flow projections based on financial budgets approved by management, covering the period of the validity of the telecom license (typically 5 years). Cash flows are extrapolated using the estimated growth rate of 1.2% to 2.6%. The weighted average growth rates are consistent with forecasts. The post-tax discount rates used for the calculations range between 8% to 15.5%.

(iii) The above estimates were tested by the Group for sensitivity in the following areas:

- An increase / decrease in the discount rate and the long-term growth rates used
- A change in market share
- A decrease in future planned revenues and EBITDA margins
- An increase in capex to sales ratio forecasts

The results of the sensitivity testing revealed that the fair values less costs to sell calculations is sensitive to changes in the above variables, and any adverse change in key assumptions could result in a materially significant change in the carrying value of the goodwill and related assets. The recoverable amount of the CGUs was more than the carrying value and accordingly no impairment loss has been recognised in 2023 (2022: Nil) in respect of goodwill allocated to the CGUs. Refer note on segment reporting (note 40) for details of net assets (including goodwill and intangibles) attributable to each CGU.

Notes to the Consolidated Financial Statements (Continued)

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12. Other Intangible Assets

2023	Licenses	Others	Total
Cost			
At 1 January	225,487	239,266	464,753
Additions during the year	13,489	16,666	30,155
Projects completed	2,542	(2,542)	-
Acquisition through business combination (note 35)	-	1,108	1,108
Disposals during the year	-	(4,983)	(4,983)
Reclassification from property and equipment	-	2,120	2,120
Effect of movements in exchange rates and others	1,717	1,509	3,226
At 31 December	243,235	253,144	496,379
Amortisation			
At 1 January	(123,739)	(193,368)	(317,107)
Charge for the year	(7,852)	(11,440)	(19,292)
Disposals during the year	-	4,983	4,983
Effect of movements in exchange rates and others	(1,279)	(1,223)	(2,502)
At 31 December	(132,870)	(201,048)	(333,918)
Net book value			
At 31 December	110,365	52,096	162,461
2022			
Cost			
At 1 January	213,221	118,658	331,879
Additions during the year	16,239	17,185	33,424
Disposals during the year	(70)	(251)	(321)
Impairment	-	(24)	(24)
Reclassification from property and equipment	50	102,855	102,905
Effect of movements in exchange rates and others	(3,953)	843	(3,110)
At 31 December	225,487	239,266	464,753
Amortisation			
At 1 January	(114,914)	(91,083)	(205,997)
Charge for the year	(11,503)	(11,837)	(23,340)
Disposals during the year	70	155	225
Reclassification from/ (to) property and equipment	11	(89,296)	(89,285)
Effect of movements in exchange rates and others	2,597	(1,307)	1,290
At 31 December	(123,739)	(193,368)	(317,107)
Net book value			
At 31 December	101,748	45,898	147,646

Others includes trade name, customer relationship and associated assets, non-network softwares, capital work in progress and indefeasible right to use (IRU) including those recognised as part of acquisition accounting.

Notes to the Consolidated Financial Statements (Continued)

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13. Equity Accounted Investees

		2023	2022
Investment in ARC	(i)	1,208	1,446
Investment in FiberTech	(ii)	7,027	5,714
Investment in Post Connect	(iii)	306	-
		8,541	7,160

- i.* This represents a joint venture with another regional operator to provide telecom infrastructure services within the GCC region. During the year, the Group recorded a loss of BD 237 (2022: BD 786) as its share of losses of this joint venture.
- ii.* This represents 49% of share capital of The Jordanian Company for Advanced Optical Fiber ("FiberTech"). The principal activities of FiberTech are to provide mass high-speed internet services to telecommunications companies and internet service providers operating in Jordan. During the year, the Group made no additional capital contribution (2022: BD Nil) to this venture and also recognized a gain of BD 1,316 (2022: BD 807) in respect of its share of gain from this associate.
- iii.* This represents Group's 20% ownership in Post Connect for Information Technology and Communication S.A.E ("Post Connect"). The principal activities of Post Connect is to characterize, analyse and design work for software, databases, and applications of all kinds and producing electronic content in different forms of voice, image, and data. The amount represents the investment value as at 31 December 2023. Company has not started the operations therefore no gain / loss is recognized during 2023.

14. Income Taxes

Amounts recognised in profit or loss for the year

	2023	2022
Current tax expense	9,703	8,892
Deferred tax credit (net)	(771)	(1,181)
Tax expense for the year	8,932	7,711

Corporate income tax is not levied in the Kingdom of Bahrain for telecommunication companies and accordingly the effective tax rate for the corporate income tax is 0% (2022: 0%). The table below reconciles the difference between expected tax expense of Nil (2022: Nil) and the Group's tax charge for the year. Subsidiaries are taxed at the combination of various tax rates ranging from 15% to 27%.

Reconciliation of actual to expected tax charge

	2023	2022
Profit before tax	90,968	88,069
Corporation tax rate of 0% in Bahrain (2022: 0%)	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(8,932)	(7,711)
Tax expense for the year	(8,932)	(7,711)
Profit after tax for the year	82,036	80,358

The following represent the movements in deferred tax liabilities recognised by the Group:

	2023	2022
At 1 January	6,141	7,701
Credit to the consolidated profit or loss	(610)	(1,042)
Other movements	2	-
Exchange differences	196	(518)
At 31 December	5,729	6,141

The recognised deferred tax asset of BD 6,375 (2022: BD 6,671) is attributable to the temporary differences related to Group's operations in Jordan, Maldives and Channel Islands jurisdictions.

Global Minimum Tax

To address concerns about uneven profit distribution and the tax challenges of the large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax of 15%. In December 2021, the Organization for Economic Cooperation and Development (OECD) released a draft legislation framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Management is closely monitoring the progress of the legislation in the Kingdom of Bahrain as well as other jurisdiction where it operates.

As at 31 December, the Group did not have sufficient information to determine the potential quantitative impact.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2023

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15. Post-Employment Benefit Assets

a) Unfunded Defined benefits

The provision for leaving indemnity in respect of employees amounted to BD 1.5 million (2022: BD 1.5 million) and is included under Trade and Other Payables.

b) Defined contribution plan

The Group's contributions during the year in respect of employees against their pension rights and other social benefits amounted to BD 5.3 million (2022: BD 4.6 million).

c) Share-based payments

During 2020, the Group established the Employee Option Plan ("Plan"). The Plan is designed to provide long-term incentives for selected management personnel to deliver long-term financial KPIs. Under the Plan, participants are granted shares (awards), which only vest if certain performance standards are met. Participation in the Plan is at the board's discretion, and no individual has a guaranteed contractual right to participate in the Plan or to receive any guaranteed benefits.

Shares are granted under the Plan for no consideration and carry no dividend or voting rights. The grant share price is the average of Beyon's share price quoted on Bahrain Bourse for each trading day during the month of January preceding the grant date of 1 April. Shares granted to participants are held by a trustee in a trust established solely for these share awards until vesting. The number of shares that will vest after 3 years ("Vesting Period") depends on cumulative achievement of Group's financial targets over a three-year period. The vesting date relating to every Vesting Period is 1 April following the completion of the Vesting Period. All awards are vested to participants on the vesting date.

During the year, the Group awarded 711,984 shares (2022: 744,883 shares) to its employees under the Plan. The assessed fair value at grant date of shares granted during the year ended 31 December 2023 was BD 0.463 per share (2022: BD 0.580 per share). The number of shares forfeited during the year was Nil (2022: Nil). Weighted average remaining contractual life of shares outstanding at end of the year was 1.43 years (2022: 1.21 years).

16. Investments

		2023	2022
I. Investments securities			
a. At Fair Value Through Other Comprehensive Income (at FVOCI)			
- Debt securities	(i)	291	3,537
- Equity securities	(ii)	28,224	11,805
b. At Fair Value Through Profit and Loss (at FVTPL)			
- Equity securities	(iii)	1,900	11
		30,415	15,353
II. Investment properties	(iv)	5,247	5,247
		35,662	20,600
Investments are classified as follows:		2023	2022
Non-current assets		35,371	17,063
Current assets		291	3,537
		35,662	20,600

(i) Debt securities comprise Group's investment in:

- Bahrain Sovereign Bonds amounting to BD Nil (2022: BD 3.4 million). These bonds have matured during 2023 and were carrying a fixed semi-annual coupon interest at 6.125% per annum on the face value.
- Treasury bills amounting to BD 0.3 million (2022: BD 0.1 million). These bills have maturity dates up to 3 months and carry interest ranging from 6.0% to 6.6% per annum on the face value. At 31 December 2023, all of these bills were classified under current assets as maturing within 12 months.

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16. Investments (Continued)

(ii) Equity securities at FVOCI include:

- BD 23.0 million (2022: BD 6.3 million) representing market value of equity investment in Etihad Atheeb Telecommunications Company (“Atheeb”), a company listed on Saudi Stock Exchange.
- BD 5.3 million (2022: BD 5.5 million) representing Group’s investment in Al Waha Venture Capital Fund of Funds, which is closed ended Bahrain domiciled PIU managed by Bahrain Development Bank. The carrying value represents the net asset value of the fund which approximates its fair value.

(iii) Equity securities at FVTPL include Group’s investment in certain funds and other investments which are fair valued through profit and loss

(iv) Investment properties comprise Group’s investment in certain land plots in an overseas territory that were acquired during 2018 as part of an exchange transaction and are fair valued at 31 December 2023 based on management estimates.

17. Trade Receivables and Other Assets

	2023	2022
Trade receivables	78,167	84,679
Contract assets (unbilled revenue)	31,031	32,660
<i>Less impairment allowance</i>	<i>(24,210)</i>	<i>(26,136)</i>
	84,988	91,203
Prepaid expenses	10,014	8,853
Other receivables	47,199	59,437
	142,201	159,493

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was as follows:

	2023	2022
Customer accounts	37,104	40,681
Telecom operators	16,853	17,862
Contract assets (unbilled revenue) (note 26)	31,031	32,660
	84,988	91,203

The movement on the allowance for impairment was as follows:

	2023	2022
At 1 January	26,136	28,047
Impairment loss recognized for the year	1,877	2,881
Effect of movements in exchange rates	63	(77)
Written-off during the year	<i>(3,866)</i>	<i>(4,715)</i>
At 31 December	24,210	26,136

The impairment allowances as at 31 December 2023 and 2022 represent life-time ECL on trade receivables and contracts assets (refer to note 33 (b)).

18. Cash and Bank Balances

	2023	2022
Cash in hand	415	875
Bank balances	235,352	252,969
	235,767	253,844
Less:		
Short-term deposits with maturities exceeding three months	<i>(22,828)</i>	<i>(31,017)</i>
Unclaimed Dividends	<i>(481)</i>	<i>(3,909)</i>
Other restricted cash and bank balances	<i>(9,068)</i>	<i>(10,015)</i>
Cash and cash equivalents	203,390	208,903

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19. Trade and Other Payables

	2023	2022
Trade payables	131,242	128,468
Amounts due to telecommunications operators	2,961	5,972
Provisions, accrued expenses and other payables	97,768	85,529
Contract liabilities (note 26 (b))	27,602	19,343
Customer deposits and billings in advance	3,215	19,698
Current tax liability	5,008	4,313
	267,796	263,323

Trade and other payables are classified as follows:

	2023	2022
Non-current liabilities	60,769	45,051
Current liabilities	207,027	218,272
	267,796	263,323

Significant changes in the contract liabilities balances during the year are as follows:

	2023	2022
At 1 January	19,343	9,481
Contract liabilities recognized during the year	53,294	112,883
Transferred to revenue during the year	(45,054)	(102,965)
Effect of movements in exchange rates	19	(56)
At 31 December	27,602	19,343

20. Provisions

Included within provisions, accrued expenses and other payables are amounts provided for voluntary employee retirement program and asset retirement obligation. The movement in provisions is as follows:

	Voluntary employee retirement program		Asset retirement obligation	
	2023	2022	2023	2022
At 1 January	-	2,120	3,548	3,417
Amounts provided during the year	-	-	104	131
Amounts paid during the year	-	(2,120)	-	-
At 31 December	-	-	3,652	3,548

Asset Retirement Obligation

The provision for asset retirement obligations represents the provisions made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property and equipment and restoring the sites on which they are located. The following assumptions have been used to calculate the asset retirement obligation at reporting date:

	2023	2022
Expected rate of increase of the dismantling cost	3.5%	3.5%
Discount rate	10%	10%

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21. Loans and Borrowings

		2023	2022
a) Non-current			
Term financing facilities	<i>(i)</i>	244,198	229,603
		244,198	229,603
b) Current			
Term financing facilities	<i>(i)</i>	7,853	1,206
Import loan facility	<i>(ii)</i>	2,843	3,389
		10,696	4,595
		254,894	234,198

i) Term financing facilities include:

- a) 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 and is due to be settled by 2031. As at 31 December 2023, a total amount of BD 24.4 million (2022: BD 24.4 million) is outstanding against this facility out of which BD 3.5 million (2022: BD Nil) is classified under current liabilities being due within the next 12 month;
- b) 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 and is due to be settled by 2031. As at 31 December 2023, a total amount of BD 6.8 million (2022: BD 6.8 million) is outstanding against this facility out of which BD 1.0 million (2022: BD Nil) is classified under current liabilities being due within the next 12 months;
- c) 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 and is due to be settled by 2031. As at 31 December 2023, a total amount of BD 12.7 million (2022: BD 12.7 million) is outstanding against this facility of which BD 1.8 million (2022: BD Nil) is classified under current liabilities being due within the next 12 months;
- d) 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 and is due to be settled by 2031. As at 31 December 2023, a total amount of BD 8.0 million (2022: BD 8.0 million) is outstanding against this facility of which BD 1.1 million (2022: BD Nil) is classified under current liabilities being due within the next 12 months;
- e) 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 and is due to be settled by May 2024. As at 31 December 2023, a total amount of BD 0.5 million (2022: BD 1.6 million) is outstanding against this facility of which BD 0.5 million (2022: BD 1.2 million) is classified under current liabilities being due within the next 12 months;
- f) 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. As at 31 December 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;
- g) 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. As at 31 December 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;
- h) Long term loan facilities with a total available amount of BD 11.3 million (2022: Nil) has been obtained by a Beyon entity in 2023. As at 31 December 2023, a total amount of BD 7.2 million (2022: Nil) is outstanding against this facility of which full amount is classified under non-current liabilities being due from April 2025.
- i) Long term loan facility with a total available amount of BD 169.4 million (2022: 169.7 million), of which BD 169.7 million is outstanding as of 31 December 2023 (2022: BD 169.7 million) was obtained by the Company to fund its bond repayment in May 2020 and is due to be settled by one bullet payment in 2025; and
- j) Long term loan facility with a total available amount of BD 75.4 million (2022: Nil), of which BD 14.1 million is outstanding as of 31 December 2023 (2022: Nil) was obtained by the Company to fund its project for regional connectivity starting from May 2023. 55% of the principal amount is to be repaid on quarterly basis starting from end of the Grace period of 3 years and 45% of the principal amount is to be settled by bullet payment in 2033.

ii) Import loan facility include:

- a) 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 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 2.8 million (2022: BD 3.4 million) and is classified under current liabilities.

The above facilities carry interest rate at SOFR or relevant benchmarks plus margins. The interest rates ranged from 7.3% to 12.0% at 31 December 2023 (2022: 6.2% to 11.2%).

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22. Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

	Liabilities		Equity		NCI	Total
	Bank overdrafts used for cash management purposes	Other loans and borrowings	Share capital	Retained earnings, other reserves and treasury shares		
2023						
Balance at 1 January	3,389	230,809	166,320	330,047	45,955	776,520
<i>Changes from financing cash flows</i>						
Borrowings (net)	(582)	22,286	-	-	-	21,704
Sale of market making shares	-	-	-	192	-	192
Grant of treasury shares	-	-	-	312	-	312
Dividend paid	-	-	-	(53,792)	(6,961)	(60,753)
Total changes from financing cash flows	(582)	22,286	-	(53,288)	(6,961)	(38,545)
Effect of changes in foreign exchange rates	36	(543)	-	3,375	-	2,868
Other liability-related changes	-	(501)	-	-	423	(78)
Profit for the year	-	-	-	72,049	9,987	82,036
Other equity-related changes (net)	-	-	-	13,808	828	14,636
Balance at 31 December	2,843	252,051	166,320	365,991	50,232	837,437
	Liabilities		Equity		NCI	Total
	Bank overdrafts used for cash management purposes	Other loans and borrowings	Share capital	Retained earnings, other reserves and treasury shares		
2022						
Balance at 1 January	2,516	224,357	166,320	323,276	41,087	757,556
<i>Changes from financing cash flows</i>						
Borrowings (net)	860	5,575	-	-	-	6,435
Purchase of market making shares	-	-	-	(94)	-	(94)
Purchase of treasury shares	-	-	-	(361)	-	(361)
Equity settled share-based payment	-	-	-	101	-	101
Dividend paid	-	-	-	(49,618)	(6,338)	(55,956)
Total changes from financing cash flows	860	5,575	-	(49,972)	(6,338)	(49,875)
Effect of changes in foreign exchange rates	13	94	-	(8,763)	-	(8,656)
Other liability-related changes	-	783	-	-	1,172	1,955
Profit for the year	-	-	-	70,324	10,034	80,358
Other equity-related changes (net)	-	-	-	(4,818)	-	(4,818)
Balance at 31 December	3,389	230,809	166,320	330,047	45,955	776,520

Notes to the Consolidated Financial Statements (Continued)

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23. Share Capital

	2023	2022
a) Authorised		
2,000 (2022: 2,000) million shares of 100 fils each	200,000	200,000
b) Issued and fully paid:		
1,663 (2022: 1,663) million shares of 100 fils each	166,320	166,320

Names and nationalities of the major shareholders and the number of equity shares held in which they have an interest of 5% or more of outstanding shares are as follows:

Name	Nationality	Number of shares (thousands)	% of share holding
Bahrain Mumtalakat Holding Company BSC (c)	Bahrain	609,840	37
Amber Holdings Limited	Cayman Islands	332,640	20
Social Insurance Organisation	Bahrain	337,836	20

Distribution schedule of equity shares:

Categories	Number of shares (thousands)	Number of shareholders	% of total outstanding shares
Less than 1%	314,485	10,578	19
1% up to less than 5%	68,399	2*	4
20% up to less than 50%	1,280,316	3	77
	1,663,200	10,583	100

* Includes Group holdings of the treasury shares

24. Statutory and General Reserve

a) Statutory reserve

The Commercial Companies Law 2001 (as amended) requires all companies incorporated in Bahrain to transfer 10% of net profit for the year to a statutory reserve, until such reserve reaches a minimum of 50% of the paid-up capital. Transfer to statutory reserve, effected by the subsidiaries in accordance with the applicable law of the country of incorporation, is retained in the subsidiary concerned and included as part of Group statutory reserve. The reserve is not available for distribution, except in the circumstances stipulated in the applicable law of each country.

For the year ended 31 December 2023 (2022: nil), no transfer to statutory reserves was proposed by the Board of Directors. However, a net transfer of BD 2,128 (2022: 775) was made to statutory reserve by the Group companies which is reflected in these consolidated financial statements.

b) General reserve

The general reserve is distributable only upon a resolution of the shareholders at the Annual General Meeting. During the year no transfer was made from general reserve by any of the Group Companies.

25. Treasury Shares

	2023	2022
a) Market making shares		
As at 31 December (Amount)	3,599	3,791
Number of market making shares as at 31 December	8,778,766	9,263,711
b) Share based payment treasury shares		
As at 31 December (Amount)	829	1,141
Number of share based payment treasury shares as at 31 December	1,656,110	2,174,071
Total treasury shares (Amount)	4,428	4,932
Total number of treasury shares	10,434,876	11,437,782

Beyon is carrying out market making activities through a designated market maker, in accordance with the regulations promulgated by the Central Bank of Bahrain and the Bahrain Bourse. As per the regulations, the designated market maker of Beyon cannot hold more than 3% of Beyon's issued share capital at any time.

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26. Revenue

a) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's four strategic divisions, which are its operating segments.

2023	Reportable segments					Total reportable segments	Elimination	Total
	Bahrain	Jordan	Maldives	Sure Group	Others			
Major products/service lines								
Mobile Telecommunication Services	85,393	62,294	33,660	19,033	-	200,380	(14)	200,366
Data Communication Circuits	37,572	5,845	14,085	7,572	-	65,074	(37)	65,037
Fixed Broadband	33,485	21,842	10,061	12,096	-	77,484	-	77,484
Fixed Line Telecommunication Services	9,295	-	2,358	6,887	-	18,540	-	18,540
Wholesale Services	24,613	3,343	735	2,549	-	31,240	(804)	30,436
Adjacent Services	14,741	6,580	3,459	8,581	-	33,361	(320)	33,041
	205,099	99,904	64,358	56,718	-	426,079	(1,175)	424,904
Timing of recognition								
Products transferred at a point in time (Equipment revenue)	25,124	5,486	1,209	3,905	-	35,724	-	35,724
Products and services transferred over time (Revenue from provision of network and long-term digital services)	179,975	94,418	63,149	52,813	-	390,355	(1,175)	389,180
	205,099	99,904	64,358	56,718	-	426,079	(1,175)	424,904

For a further break down of total revenue by the Group's key geographical segments, please refer to note 40.

a) Disaggregation of revenue from contracts with customers (continued)

2022	Reportable segments					Total reportable segments	Elimination	Total
	Bahrain	Jordan	Maldives	Sure Group	Others			
Major products/service lines								
Mobile Telecommunication Services	77,505	60,365	32,267	17,952	-	188,089	(20)	188,069
Data Communication Circuits	38,058	5,482	13,357	7,393	-	64,290	(31)	64,259
Fixed Broadband	34,029	22,740	9,478	11,486	13	77,746	-	77,746
Fixed Line Telecommunication Services	10,217	-	2,535	7,103	-	19,855	-	19,855
Wholesale Services	21,279	2,443	797	2,478	-	26,997	(29)	26,968
Adjacent Services	8,278	5,079	4,794	8,135	-	26,286	(360)	25,926
	189,366	96,109	63,228	54,547	13	403,263	(440)	402,823
Timing of recognition								
Products transferred at a point in time (Equipment revenue)	18,675	5,659	1,309	3,726	-	29,369	-	29,369
Products and services transferred over time (Revenue from provision of network services)	170,691	90,450	61,919	50,821	13	373,894	(440)	373,454
	189,366	96,109	63,228	54,547	13	403,263	(440)	402,823

Notes to the Consolidated Financial Statements (Continued)

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26. Revenue (continued)

b) Contract Balances

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

	2023	2022
Trade receivables (before impairment allowance)	78,167	84,679
Contract assets	31,031	32,660
Contract liabilities	27,602	19,343

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.

c) Contract cost

During the year, the Group capitalized incremental commission fees paid to intermediaries as a result of obtaining contracts as contract costs amounting BD 3,437 (2022: BD 1,355). Such capitalized commission fees are amortised when the related revenues are recognized. The amortisation amounted to BD 1,220 in 2023 (2022: BD 928).

27. Network Operating Expenses

	2023	2022
Outpayments to telecommunications operators	49,866	46,018
Cost of sales of equipment and services	63,855	53,428
Maintenance and support /others	22,344	17,195
License fee	9,325	8,584
Operating lease rentals	4,650	5,017
	150,040	130,242

28. Other Operating Expenses

	2023	2022
Marketing, advertising and publicity	16,212	16,382
IT operations and maintenance	11,602	17,125
Professional fees	4,842	4,192
Office rentals, office utilities and office expenses	5,025	4,897
Other expenses	8,735	8,470
	46,416	51,066

29. Other Income - net

	2023	2022
Other non-operating income	1,038	4,314
Foreign exchange (loss)/gain	(33)	55
Gain on disposal of assets	128	435
Other non-operating expenses	(460)	(308)
Rental income	389	413
	1,062	4,909

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30. Earnings Per Share ("EPS")

	2023	2022
Profit for the year attributable to equity holders of the Company	72,049	70,324
Weighted average number of shares outstanding during the year (in million)	1,653	1,653
Basic earnings per share (Fils)	43.6	42.5

Diluted earnings per share have not been presented separately as the Group has no commitments that would dilute earnings per share.

31. Dividends

The dividends paid in 2023 were BD 53.7 million (BD 32.5 Fils per share) and in 2022 were BD 49.6 million (BD 30 Fils per share). The dividends paid in 2023 include BD 31.4 million relating to the final dividend for the year ended 31 December 2022 and interim dividend of BD 22.3 million for the year 2023. The total dividend in respect of the year ended 31 December 2023 of 39.0 Fils per share which includes the regular dividend of 32.5 Fils per share plus an additional special dividend of 6.5 Fils per share, amounting to BD 64.7 million (including final dividend of BD 42.4 million) is being proposed by the Board of Directors and is to be put forward for approval at the Annual General Meeting on 27 March 2024. These consolidated financial statements do not reflect the final dividend payable.

32. Financial Instruments

a) Accounting Classifications

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023	At amortised cost	At FVOCI	At FVTPL	Total carrying amount
Financial assets				
Investments at fair value	-	28,515	1,900	30,415
Trade receivables and contract assets – net	84,988	-	-	84,988
Other receivables	47,199	-	-	47,199
Cash and bank balances	235,767	-	-	235,767
	367,954	28,515	1,900	398,369
Financial liabilities				
Trade payables	131,242	-	-	131,242
Accrued expenses, contract liabilities and other payables	125,371	-	-	125,371
Amounts due to telecommunications operators	2,961	-	-	2,961
Lease liabilities	54,403	-	-	54,403
Loans and borrowings	254,894	-	-	254,894
	568,871	-	-	568,871

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32. Financial instruments (continued)

31 December 2022	At amortised cost	At FVOCI	At FVTPL	Total carrying amount
Financial assets				
Investments at fair value	-	15,342	11	15,353
Trade receivables and contract assets - net	91,203	-	-	91,203
Other receivables	59,437	-	-	59,437
Cash and bank balances	253,844	-	-	253,844
	404,484	15,342	11	419,837
Financial liabilities				
Trade payables	128,468	-	-	128,468
Accrued expenses, contract liabilities and other payables	104,872	-	-	104,872
Amounts due to telecommunications operators	5,972	-	-	5,972
Lease liabilities	55,881	-	-	55,881
Loans and borrowings	234,198	-	-	234,198
	529,391	-	-	529,391

b) Fair Value Hierarchy

The Group's financial assets and financial liabilities are measured at amortised cost except for certain investments which are carried at fair value.

The table below analyses financial instruments that are measured at fair value, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2023	Fair value			Total fair value	Total carrying amount
	Level 1	Level 2	Level 3		
Financial assets at fair value through Profit and Loss (FVTPL)					
Investments - equity securities	-	-	1,900	1,900	1,900
Financial assets at fair value through OCI					
Investments - debt and equity securities	22,952	295	5,268	28,515	28,515
31 December 2022					
Financial assets at fair value through Profit and Loss (FVTPL)					
Investments - equity securities	-	-	11	11	11
Financial assets at fair value through OCI					
Investments - debt and equity securities	9,729	148	5,465	15,342	15,342

There was no transfer from level 3 or level 2 to level 1 in either direction during the year and there was transfer from level 3 to level 1 during 2022 for Group's investment in an equity securities. The debt securities 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.

The following table shows a reconciliation from the opening balances to closing balances for Level 3 fair values for debt and equity securities.

	2023	2022
Balance at 1 January	5,476	4,133
Additions to equity securities	2,141	735
(Decrease) / increase in fair value of equity securities	(449)	608
Balance at 31 December	7,168	5,476

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33. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Capital management

a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors of the Group, through its various committees, oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group has established an Audit Committee which is assisted by Group's Internal Audit Department. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has also established a centralised Group treasury function which works under the overall supervision of the Board of Directors of the Group and provides support to the Group for funding, foreign exchange, interest rate management and counterparty risk management. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by the Group's Board of Directors. The Group's accounting function provides regular reports of the treasury activity to the Board of Directors. The Group's internal auditors review the internal control environment regularly. There has been no significant change during the financial year, or since the end of the year, to the types of financial risks faced by the Group or the Group's approach to the management of those risks.

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally and materially from the Group's trade receivables, contract assets, other receivables, long term financing to associates, debt investment securities and cash at bank.

(i) Trade receivables and contract assets

The Group's trade receivables are monitored based on its customer segmentation and geographical areas. The Group has an established credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount without requiring approval. Strict credit control is maintained for both credit period and credit limits, both of which are monitored continuously by management. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. The majority of the Group's net trade receivables are due for payment within 90 days and largely comprise amounts receivable from consumers and business customers. The Group obtains deposits for providing services to some customers.

The Group establishes an allowance for impairment that represents its estimate of life time expected losses in respect of trade receivables and contract assets. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets aggregated based on customer segment and days past due. For receivables from telecom operators and government accounts in the customer segment, the net position after considering payables is assessed based on a variety of data that are determined to be predictive of the risk of loss (including external credit ratings, financial statements and available external information) and applying experienced credit judgement. For receivables and contract assets from customers, accounts are segmented by type of exposure such as consumer, enterprise, and others accounts and collective life-time ECL allowance is determined based on historical flow rates, data on payment statistics, actual credit loss experience and management estimates of recoveries based on current status of negotiations and settlement with the customers. The historic loss experience is adjusted to reflect differences between economic conditions during the period over which historic data has been collected, current conditions and the Group's view of economic conditions over the remaining life-time of the receivables. Management believes there is no further credit risk provision required in excess of the normal impairment on receivables and contract assets (refer to note 17).

(ii) Other receivables

Other receivables primarily include receivables on sale of certain investments and financial assets representing contractual rights and claims by the Group. The Group evaluates the recoverable amount of each receivable and recognizes a provision where the expected present value of the cash flow from the financial asset is below the carrying value of the financial asset and has been fully impaired.

Notes to the Consolidated Financial Statements (Continued)

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33. Financial Risk Management (continued)

(iii) Debt investments and bank balances

The Group manages credit risk on its debt investments and bank balances by ensuring that these are made only after credit evaluation of the issuer. Term deposits are placed with commercial banks after credit evaluation of those banks and considering their external credit ratings. The Group limits its exposure to credit risk by investing in liquid securities, which offers low risk returns.

The calculated expected credit loss of bank balances and sovereign debt issuances is not material for recognition purposes.

(iv) Exposure to credit risk and credit quality

The carrying amount of financial assets (excluding equity investments) represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022
Trade receivables – customer accounts	37,104	40,681
Contract assets – customer accounts	31,031	32,660
Total trade receivables and contract assets – customer accounts	68,135	73,341
Trade receivables – telecom operators	16,853	17,862
Other receivables	47,199	59,437
Investments (debt securities)	287	3,537
Cash at bank	235,767	253,844
	368,241	408,021

	2023		2022	
	Gross carrying amount	Specific Life-time ECL, credit impaired	Gross carrying amount	Specific Life-time ECL, credit impaired
Trade receivables – telecom operators				
Externally rated				
Low risk (BBB- to AAA)	6,694	(395)	5,521	(283)
Medium risk (B- to BB+)	13,255	(3,620)	14,690	(3,443)
Higher risk (below C)	139	(27)	816	(86)
Unrated	874	(67)	707	(60)
	20,962	(4,109)	21,734	(3,872)

Notes to the Consolidated Financial Statements (Continued)

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33. Financial Risk Management (continued)

Movement in impairment allowance in respect of trade receivables and contract assets during the year are as follows:

	2023			2022		
	Collective life-time ECL	Specific life-time ECL, credit impaired	Total	Collective life-time ECL	Specific life-time ECL, credit impaired	Total
At 1 January	3,778	22,358	26,136	2,981	25,066	28,047
Written off during the year	-	(3,866)	(3,866)	-	(4,715)	(4,715)
Impairment loss recognised during the year	(314)	2,191	1,877	805	2,076	2,881
Effect of movements in exchange rates and other movements	(90)	153	63	(8)	(69)	(77)
Balance at 31 December	3,374	20,836	24,210	3,778	22,358	26,136

Receivables from government, enterprise customers/telecom operators and other receivables beyond 365 days, 180 days and 90 days past due respectively are considered triggers for credit impairment and are specifically assessed for establishing ECL.

(v) *Customer accounts including contract assets*

The maximum exposure to credit risk classified by operating segment sharing common economic characteristics with respect to credit risk is as follows:

	2023	2022
Operating segment		
Bahrain	39,863	47,599
Jordan	14,560	14,485
Maldives	10,941	9,126
Sure	2,737	2,088
Other countries	34	43
	68,135	73,341

The maximum exposure to credit risk classified by customer segments sharing common economic characteristics (except government accounts) with respect to credit risk is as follows:

	2023	2022
Customer segment		
Consumer	23,267	30,745
Enterprise	24,347	22,003
Government	9,717	13,247
Others	10,804	7,346
	68,135	73,341

Notes to the Consolidated Financial Statements (Continued)

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33. Financial Risk Management (continued)

Customer accounts	2023			2022		
	Gross exposure	Life-time ECL	Net amount	Gross exposure	Life-time ECL	Net amount
Current (0 - 30 days)	47,149	(806)	46,343	50,501	(899)	49,602
31 - 90 days	13,747	(1,501)	12,246	12,182	(1,495)	10,687
91 - 365 days	13,025	(4,916)	8,109	15,410	(4,456)	10,954
More than 1 year	14,315	(12,878)	1,437	17,512	(15,414)	2,098
Balance as at 31 December	88,236	(20,101)	68,135	95,605	(22,264)	73,341

Consumer and other receivables balances that are past due for more than 90 days are considered to be in default and credit impaired. Receivables from government and enterprise customers/telecom operators beyond 365 days and 180 days past due respectively are considered triggers for credit impairment and are specifically assessed for establishing ECL. The gross exposure for credit impaired amounts in the customer accounts as at 31 December 2023 is BD 22,707 (2022: BD 23,035) carrying a life-time ECL provision of BD 17,488 (2022: BD 18,622).

(vi) Amounts due from telecom operators including contract assets

The maximum exposure to credit risk (net of ECL provisions) for amounts due from telecommunications operators by type of customer is as follows:

	2023	2022
Telecom operators		
International operators	2,864	8,272
Local operators	13,989	9,590
	16,853	17,862

c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. A major portion of the Group's funds are invested in cash and cash equivalents which are readily available to meet expected operational expenses, including the servicing of financial obligations.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

Non-derivative financial liabilities at 31 December 2023	Carrying amount	Contractual cash flows	Within one year	1-5 Years	More than five years
Trade payables	131,242	131,242	80,089	-	51,153
Accrued expenses, contract liabilities and other payables	125,371	125,371	119,937	-	5,434
Amount due to telecommunications operators	2,961	2,961	2,961	-	-
Lease liabilities	54,403	62,091	11,111	20,635	30,345
Loans and borrowings	254,894	273,005	184,548	66,816	21,641
	568,871	594,670	398,646	87,451	108,573
Non-derivative financial liabilities at 31 December 2022	Carrying amount	Contractual cash flows	Within one year	1-5 Years	More than two years
Trade payables	128,468	128,468	91,447	-	37,021
Accrued expenses, contract liabilities and other payables	104,872	104,872	101,323	-	3,549
Amount due to telecommunications operators	5,972	5,972	5,972	-	-
Lease liabilities	55,881	75,344	11,540	34,396	29,408
Loans and borrowings	234,198	258,019	9,135	217,035	31,849
	529,391	572,675	219,417	251,431	101,827

Notes to the Consolidated Financial Statements (Continued)

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33. Financial instruments - Financial Risk Management (continued)

d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group Treasury Function.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group entities are exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Bahraini Dinar, Jordanian Dinar, Maldivian Rufiyaa (which are pegged to the US Dollar) and British Pounds. The Group's exposures to currency risk is limited as the majority of its investments, due to and from international operators are denominated in US Dollar or denominated in currencies which are pegged to US Dollar. The net exposure to other foreign currencies is not significant.

The Group seeks to manage currency risk by continually monitoring exchange rates and by maintaining an adequate level of foreign currencies to cover its expected commitment to international telecommunication operators. These amounts are placed significantly in short-term fixed deposit accounts. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest Rate Benchmark Reform:

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The majority of LIBOR and other Interbank Offer Rates are discontinued after 31 December 2022 and replaced with certain Alternative Reference Rates ("ARRs"), with the exception of certain USD LIBOR rates where cessation is delayed until 30 June 2023. As at 31 December 2023, there were no USD LIBOR based contracts,

The Group's Investment in its subsidiaries is not hedged as those currency positions are considered to be long-term in nature. In respect of other monetary assets and liabilities denominated in foreign currencies, considering the nature of its financial instruments, the Group currently is not engaged in hedging of foreign currency risk. Please refer to note 21 for details of Group's outstanding loan contracts linked to benchmark rated and related outstanding amounts.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Under the Group's interest rate management policy, interest rates on monetary assets and liabilities denominated in Bahraini Dinars and Jordanian Dinars are maintained on a floating rate basis. The average interest rate yield from bank deposits and debt securities during 2023 was 4.43% (2022: 2.82%).

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2023	2022
Fixed rate instruments		
Financial assets	7,019	3,537
Financial liabilities	-	-
Variable rate instruments		
Financial assets	82,528	111,298
Financial liabilities	254,894	233,494

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through the profit or loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss. Increase or decrease in equity resulting from variation in interest rates will be insignificant.

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by BD 1,695 (2022: BD 1,221). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Notes to the Consolidated Financial Statements (Continued)

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33. Financial instruments - Financial Risk Management (continued)

(iii) Other price risk

The primary goal of the Group's investment strategy is to ensure risk free returns and invest surplus fund available with the Group in risk free securities. Market price risk arises from investments held by the Group. The Group Treasury Function monitors its investment portfolio based on market expectations and credit worthiness of the underlying investees. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Group's Board of Directors.

e) Capital Management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future development of the Group. The Board seeks to maintain a balance between the higher returns and growth that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board of Directors monitors the returns on capital, which the Group defines as total equity and the level of dividends to shareholders. The Group's objectives for managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. There were no significant changes in the Group's approach to capital management during the year.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

34. Commitments and Contingencies

a) Capital commitments

The Group has capital commitments at 31 December 2023 amounting to BD 67.9 million (2022: BD 27.3 million).

b) Guarantees

- (i) As at 31 December 2023, the Group's banks have issued guarantees, amounting to BD 3.0 million (2022: BD 6.7 million) and letters of credit amounting to BD 5.0 million (2022: BD 16.5 million).
- (ii) The Company has furnished a comfort letter for BD 1.9 million (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 December 2023, the Company has an outstanding guarantee of BD 0.2 million (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 Consolidated Financial Statements (Continued)

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35. Acquisition of business

On 30 April 2023, Beyon Cyber acquired 60% stake in Digital Transformation Solutions Holding (“DTS”) in the UAE through a total implied consideration amounting to USD 8.5 Mn (BD 3.2 Mn) includes various payments components such as upfront, deferred and earn-out considerations attached to specific EBITDA and revenue earnout expectations.

The acquisition of DTS will broaden Beyon’s regional presence and service offerings in the region’s market, UAE. The business combination has been accounted for using the acquisition method.

Consideration transferred

The following table summarizes the acquisition-date fair value of each major class of consideration transferred:

	Amount
Consideration paid	1,580
Consideration payable	128
Contingent consideration	424
Deferred consideration	1,081
Total fair value of consideration transferred	3,213

Acquisition related costs

Transaction costs of BD 90 were expensed during 2023 under other operating expenses.

Identifiable assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of DTS at the date of acquisition is summarized as below:

Assets	Amount
Cash and bank balances	700
Trade and accounts receivables	798
Property and intangible assets	24
Total assets	1,522
Trade and other liabilities	546
Total liabilities	546
Net asset value	976
Identifiable Intangible assets	1,093
Total identifiable net assets acquired	2,069
Non-controlling interest	828
Group share of net assets (60%)	1,241
Fair Value of consideration	3,213
Goodwill	1,972

Recognition of non-controlling interest

Non-controlling interest in DTS has been estimated by applying the proportionate method of fair value of identifiable net assets.

Fair value measured on a provisional basis

As per IFRS 3 – Business Combinations, adjustments are allowed for a period of one year following the acquisition date if related to facts and circumstances that existed as of that date.

Impact on Group’s results

The acquisition of DTS resulted in increase in assets of the Group as at 31 December 2023 by BD 2,333, increase in liabilities of the Group by BD 1,155. If DTS was consolidated since beginning of the reporting period, the incremental net profits would amount to BD 179.

36. Assets under management

Assets under management represents discretionary customer investments in a product launched by a Beyon entity. The funds of BD 3,055 are transferred to SICO by the Beyon entity in its capacity as an agent, and hence these are recorded off-balance sheet.

Notes to the Consolidated Financial Statements (Continued)

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37. Non-Controlling Interest (NCI)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests before any intra-group eliminations:

Entity	2023	2022
	Dhiraagu 48%	Dhiraagu 48 %
Non-current assets (excluding goodwill)	82,872	78,023
Current assets	84,099	75,117
Non-current liabilities	(29,222)	(21,154)
Current liabilities	(40,572)	(41,054)
Net assets	97,177	90,932
Carrying amount of NCI	46,645	43,647
Revenue	64,358	63,228
Profit & total comprehensive income	19,866	20,328
Profit allocated to NCI	9,536	9,757
Cash flows from operating activities	32,887	30,002
Cash used in investing activities	(12,217)	(7,290)
Cash used in financing activities, before dividends to NCI	(5,549)	(1,249)
Cash used in financing activities – cash dividends to NCI	(6,959)	(6,337)
Net increase in cash and cash equivalents	8,162	15,126

38. Transactions with Related Parties

(i) The Company qualifies as a government related entity under the definitions provided in the IAS 24. The Company provides telecommunication services to various Government and semi government organisation and companies in the Kingdom of Bahrain. The Company 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.

(ii) *Transactions with key management personnel:* Key management personnel of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing, and controlling the activities of the Group.

The key management personnel compensation is as follows::

	2023	2022
Short-term employee benefits	1,313	1,217
Long-term employee benefits	338	188
Post-employment benefits	80	67
Total key management personnel compensation	1,731	1,472
	2023	2022
Post-employment benefits outstanding	160	173
Directors' remuneration (including sitting fees)	587	608

Transactions with related parties where independent directors have an interest have been disclosed in Corporate Governance report..

Notes to the Consolidated Financial Statements (Continued)

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38. Transactions with Related Parties (continued)

(iii) Directors' interests in the shares of the Company at the end of the year were as follows:

	2023	2022
Total number of shares held by Directors	-	5,240
As a percentage of the total number of shares issued	0.00%	0.00%

(iv) Executive management interests in the shares of the Company at the end of the year were as follows:

	2023	2022
Total number of shares held by executive management	974,817	12,987
As a percentage of the total number of shares issued	0.06%	0.00%

39. Comparatives

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

40. 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 year ended is as follows:

Segment revenue & profit	Year ended 31 December 2023							Year ended 31 December 2022						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter-segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter-segment elimination	Total
Revenue (external customers)	204,593	99,235	64,358	56,718	-	-	424,904	189,332	95,703	63,228	54,547	13	-	402,823
Inter segment revenues	506	669	-	-	-	(1,175)	-	34	406	-	-	-	(440)	-
Depreciation, amortisation and tangible assets impairment	28,162	19,152	11,239	8,535	-	-	67,088	28,463	22,005	11,271	10,019	-	-	71,758
Finance income	5,726	1,603	648	289	332	(333)	8,265	3,480	982	586	95	525	(526)	5,142
Finance expenses	243	8,454	2,724	254	12,069	(341)	23,403	287	7,579	1,762	237	6,260	(492)	15,633
Other income / (expense) (net)	351	607	95	16	-	(7)	1,062	2,249	724	2,008	(100)	1	27	4,909
Share of income/ (loss) from equity accounted investees	-	1,316	-	-	(237)	-	1,079	-	807	-	-	(786)	-	21
Income tax expense	-	(2,435)	(4,296)	(2,200)	(1)	-	(8,932)	-	(2,149)	(4,145)	(1,417)	-	-	(7,711)
Profit for the year	42,164	8,294	19,866	11,725	(13)	-	82,036	43,921	7,020	20,328	9,111	(22)	-	80,358

Segment assets & liabilities	As at 31 December 2023							As at 31 December 2022						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter-segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter-segment elimination	Total
Non-current assets	283,902	324,686	104,743	74,540	6,490	(14,688)	779,673	230,024	286,005	99,894	67,628	6,726	(10,868)	679,409
Current assets	221,736	68,156	84,099	23,188	2,956	(14,443)	385,692	271,765	62,222	75,821	25,135	1,165	(13,652)	422,456
Total assets	505,638	392,842	188,842	97,728	9,446	(29,131)	1,165,365	501,789	348,227	175,715	92,763	7,891	(24,520)	1,101,865
Non-current liabilities	189,885	143,419	29,222	13,673	-	(19,727)	356,472	181,358	138,324	21,858	12,295	-	(25,225)	328,610
Current liabilities	92,261	94,480	38,405	16,296	117	(15,209)	226,350	132,646	63,085	41,054	14,688	112	(20,652)	230,933
Total liabilities	282,146	237,899	67,627	29,969	117	(34,936)	582,822	314,004	201,409	62,912	26,983	112	(45,877)	559,543
Net assets	223,492	154,943	121,215	67,759	9,329	5,805	582,543	187,785	146,818	112,803	65,780	7,779	21,357	542,322

Notes to the Consolidated Financial Statements (Continued)

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41. List of properties owned and rented by the Company in Bahrain

Description	Usage	Owned/Rented
Hamala Headquarter	Offices and centraal	Owned
Diplomat Building	Offices & Telecoms	Owned
Salmaniya complex	Offices & Telecoms	Owned
Batelco Commercial Centre	Offices & Exchanges	Owned
Earth Station	Satellite station and solar park	Owned
Abul Land Car Park	Car Park	Owned
Sales Site (in BCC)	Customer Service Centre & Offices	Owned
14 Sales Site	Customer & Business Service Centre	Rented
66 different sites used for GSM base stations and exchanges	GSM & fixed telephone network	Owned
394 different sites used for locating Remote Line Units (RLUs) Plus MNE Sites.	GSM & fixed telephone network	Rented