

**BEYON B.S.C.**  
(previously registered as Bahrain  
Telecommunications Company BSC)

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**30 September 2024**

**BEYON B.S.C.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2024**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)  
for the nine months ended 30 September 2024**

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<b>Nine months ended 30 September</b>	<b>Unit</b>	<b>2024</b>	<b>2023</b>	<b>Variation %</b>
Gross revenue	BD million	333.1	315.4	5.6%
Expenses	BD million	251.6	235.9	6.7%
Profit attributable to Beyon shareholders	BD million	56.2	55.5	1.1%
Return on net worth (Annualized)	%	13.7	14.0*	(2.1%)
Weighted average number of shares outstanding during the period	Million	1,653	1,652	0.0%
Basic and diluted earnings per share for the period	Fils	34.0	33.6	1.2%

*\*Based on actual figures for the year ended 31 December 2023*



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

To the Board of Directors of  
*BEYON B.S.C.*  
*Kingdom of Bahrain*

## Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial statements of BEYON B.S.C. (previously known as Bahrain Telecommunications Company BSC) (the "Company") and its subsidiaries (together the "Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

7 November 2024

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2024**

BD'000

	Note	30 September 2024 (reviewed)	31 December 2023 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		396,635	366,838
Right-of-use assets		56,336	55,606
Goodwill		138,996	137,775
Other intangible assets		155,374	162,461
Equity accounted investees		9,825	8,541
Deferred tax assets		6,609	6,375
Investments		60,329	35,371
Other non-current assets		14,937	6,706
<b>Total non-current assets</b>		<b>839,041</b>	<b>779,673</b>
<b>Current assets</b>			
Inventories		6,720	7,433
Trade and other receivables		164,145	142,201
Investments		22,241	291
Cash and bank balances	3	158,566	235,767
<b>Total current assets</b>		<b>351,672</b>	<b>385,692</b>
<b>Total assets</b>		<b>1,190,713</b>	<b>1,165,365</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables		43,620	60,769
Lease liabilities		45,054	45,776
Loans and borrowings	4	256,638	244,198
Deferred tax liabilities		5,638	5,729
<b>Total non-current liabilities</b>		<b>350,950</b>	<b>356,472</b>
<b>Current liabilities</b>			
Trade and other payables		217,656	207,027
Lease liabilities		10,103	8,627
Loans and borrowings	4	14,969	10,696
<b>Total current liabilities</b>		<b>242,728</b>	<b>226,350</b>
<b>Total liabilities</b>		<b>593,678</b>	<b>582,822</b>
<b>Net assets</b>		<b>597,035</b>	<b>582,543</b>
<b>EQUITY</b>			
Share capital		166,320	166,320
Statutory reserve		88,856	86,188
General reserve		44,000	44,000
Other reserves		(3,093)	(28,173)
Treasury shares		(4,388)	(4,428)
Retained earnings		253,506	268,404
<b>Total equity attributable to equity holders of the Company</b>		<b>545,201</b>	<b>532,311</b>
Non-controlling interest		51,834	50,232
<b>Total equity (Page 6 - 7)</b>		<b>597,035</b>	<b>582,543</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 7 November 2024 and signed on its behalf by:

Abdulla bin Khalifa Al Khalifa  
Chairman

Ali bin Khalifa Al Khalifa  
Deputy Chairman

Andrew Kvaalseth  
Chief Executive Officer

The accompanying notes 1 to 14 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the nine months ended 30 September 2024**

BD'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)
<b>REVENUE</b>	5	<b>333,057</b>	315,424	<b>110,121</b>	106,504
<b>EXPENSES</b>					
Network operating expenses		(120,535)	(108,330)	(38,561)	(36,999)
Staff costs		(42,564)	(41,341)	(14,320)	(14,234)
Depreciation, amortisation and tangible assets impairment		(52,424)	(51,139)	(18,759)	(17,168)
Impairment (loss) on trade receivables and contract assets		(1,990)	(1,190)	(1,029)	(872)
Other operating expenses		(34,092)	(33,860)	(11,574)	(11,219)
<b>Total expenses</b>		<b>(251,605)</b>	(235,860)	<b>(84,243)</b>	(80,492)
<b>Results from operating activities</b>		<b>81,452</b>	79,564	<b>25,878</b>	26,012
Finance and related income		6,455	6,047	1,977	2,145
Finance and related expense		(18,659)	(17,422)	(5,419)	(6,151)
Other income (net)		825	898	188	225
Share of profit from equity accounted investees (net)		1,277	888	428	280
<b>Profit before taxation</b>		<b>71,350</b>	69,975	<b>23,052</b>	22,511
Income tax expense		(6,957)	(7,148)	(2,599)	(2,391)
<b>Profit for the period</b>		<b>64,393</b>	62,827	<b>20,453</b>	20,120
<b>Other comprehensive income:</b>					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences – foreign operations		3,859	587	4,110	(2,611)
Investment fair value changes (debt securities)		-	28	-	-
		<b>3,859</b>	615	<b>4,110</b>	(2,611)
<i>Items that will never be reclassified to profit or loss:</i>					
Investment fair value changes (equity securities)		21,247	10,658	2,441	6,161
		<b>21,247</b>	10,658	<b>2,441</b>	6,161
<b>Total other comprehensive income, net of tax</b>		<b>25,106</b>	11,273	<b>6,551</b>	3,550
<b>Total comprehensive income for the period</b>		<b>89,499</b>	74,100	<b>27,004</b>	23,670
<b>Profit for the period attributable to:</b>					
Equity holders of the Company		56,176	55,544	17,591	17,610
Non-controlling interest		8,217	7,283	2,862	2,510
		<b>64,393</b>	62,827	<b>20,453</b>	20,120
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		81,282	66,817	24,142	21,160
Non-controlling interest		8,217	7,283	2,862	2,510
		<b>89,499</b>	74,100	<b>27,004</b>	23,670
<b>Basic and diluted earnings per share (Fils)</b>	6	<b>34.0</b>	33.6	<b>10.6</b>	10.7

Abdulla bin Khalifa Al Khalifa  
Chairman

Ali bin Khalifa Al Khalifa  
Deputy Chairman

Andrew Kvaalseth  
Chief Executive Officer

The accompanying notes 1 to 14 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2024**

BD'000

	Note	Nine months ended 30 September	
		2024 (reviewed)	2023 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Profit for the period		64,393	62,827
<b>Adjustment for:</b>			
Non-operating items, including tax		18,336	17,625
Share of profit from equity accounted investees, (net)		(1,277)	(888)
Depreciation, amortisation and tangible assets impairment		52,424	51,139
Impairment loss on trade receivables and contract assets		1,990	1,190
		135,866	131,893
<b>Working capital changes:</b>			
Increase in trade and other receivables		(21,967)	(16,235)
Decrease / (increase) in inventories		759	(2,835)
Increase / (decrease) in trade and other payables		10,035	(2,536)
<b>Cash generated from operating activities</b>		<b>124,693</b>	<b>110,287</b>
Taxes paid		(8,325)	(8,117)
Payment to charities		(1,787)	(2,048)
<b>Net cash from operating activities</b>		<b>114,581</b>	<b>100,122</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, equipment and intangibles, net of disposal		(94,241)	(90,248)
Acquisition of business, net of cash acquired		(2,217)	(880)
Net cash from (purchase) / sale of other investments		(14,165)	8,270
Interest and investment income received		6,744	6,712
<b>Net cash used in investing activities</b>		<b>(103,879)</b>	<b>(76,146)</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(71,202)	(57,324)
Payment of lease liabilities		(9,962)	(9,165)
Interest paid		(14,241)	(13,183)
Borrowings drawn, net		15,123	20,903
(Acquisition) / grant of share-based payment treasury shares (net)		(107)	312
Sale of market making shares, (net)		147	274
<b>Net cash used in financing activities</b>		<b>(80,242)</b>	<b>(58,183)</b>
<b>Decrease in cash and cash equivalents during the period</b>		<b>(69,540)</b>	<b>(34,207)</b>
Cash and cash equivalents at 1 January		203,390	208,903
<b>Cash and cash equivalents at 30 September</b>	3	<b>133,850</b>	<b>174,696</b>

The accompanying notes 1 to 14 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine months ended 30 September 2024

BD'000

2024	Equity attributable to equity holders of the Company												Non - controlling Interest	Total equity
	Note	Other Reserves						Treasury shares		Retained earnings	Total			
		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					
At 1 January 2024		166,320	86,188	44,000	(20,261)	(8,471)	559	(3,599)	(829)	268,404	532,311	50,232	582,543	
<b>Profit for the period</b>		-	-	-	-	-	-	-	-	56,176	56,176	8,217	64,393	
<b>Other comprehensive income</b>														
Foreign currency translation differences		-	-	-	3,859	-	-	-	-	-	3,859	-	3,859	
Investment fair value changes		-	-	-	-	21,247	-	-	-	-	21,247	-	21,247	
<b>Total other comprehensive income</b>		-	-	-	<b>3,859</b>	<b>21,247</b>	-	-	-	-	<b>25,106</b>	-	<b>25,106</b>	
<b>Total comprehensive income for the period</b>		-	-	-	<b>3,859</b>	<b>21,247</b>	-	-	-	<b>56,176</b>	<b>81,282</b>	<b>8,217</b>	<b>89,499</b>	
<b>Contributions and distributions</b>														
Final dividends declared for 2023	10	-	-	-	-	-	-	-	-	(42,195)	(42,195)	-	(42,195)	
Interim dividend declared for 2024	10	-	-	-	-	-	-	-	-	(22,343)	(22,343)	-	(22,343)	
Donations approved for 2023		-	-	-	-	-	-	-	-	(3,868)	(3,868)	-	(3,868)	
Sale of market making shares		-	-	-	-	-	-	147	-	-	147	-	147	
Acquisition of treasury shares		-	-	-	-	-	-	-	(335)	-	(335)	-	(335)	
Equity-settled share-based payment		-	-	-	-	-	(26)	-	228	-	202	-	202	
Transfer to statutory reserve		-	2,668	-	-	-	-	-	-	(2,668)	-	-	-	
Non-controlling interest recognised on acquisition		-	-	-	-	-	-	-	-	-	-	75	75	
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(6,690)	(6,690)	
<b>Total contributions and distributions</b>		-	<b>2,668</b>	-	-	-	<b>(26)</b>	<b>147</b>	<b>(107)</b>	<b>(71,074)</b>	<b>(68,392)</b>	<b>(6,615)</b>	<b>(75,007)</b>	
<b>At 30 September 2024 (reviewed)</b>		<b>166,320</b>	<b>88,856</b>	<b>44,000</b>	<b>(16,402)</b>	<b>12,776</b>	<b>533</b>	<b>(3,452)</b>	<b>(936)</b>	<b>253,506</b>	<b>545,201</b>	<b>51,834</b>	<b>597,035</b>	

The accompanying notes 1 to 14 are integral part of the condensed consolidated interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the nine months ended 30 September 2024 (continued)**

BD'000

2023	Equity attributable to equity holders of the Company											Non - controlling interest	Total equity
	Note	Share Capital	Statutory reserve	General reserve	Other reserves			Treasury shares		Retained earnings	Total		
					Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares				
At 1 January 2023		166,320	84,060	44,000	(23,636)	(24,670)	704	(3,791)	(1,141)	254,521	496,367	45,955	542,322
Profit for the period		-	-	-	-	-	-	-	-	55,544	55,544	7,283	62,827
Other comprehensive income													
Foreign currency translation differences		-	-	-	587	-	-	-	-	-	587	-	587
Investment fair value changes		-	-	-	-	10,686	-	-	-	-	10,686	-	10,686
Total other comprehensive income		-	-	-	587	10,686	-	-	-	-	11,273	-	11,273
Total comprehensive income for the period		-	-	-	587	10,686	-	-	-	55,544	66,817	7,283	74,100
Contributions and distributions													
Final dividends declared for 2022	10	-	-	-	-	-	-	-	-	(31,447)	(31,447)	-	(31,447)
Interim dividend declared for 2023	10	-	-	-	-	-	-	-	-	(22,453)	(22,453)	-	(22,453)
Donations approved for 2022		-	-	-	-	-	-	-	-	(2,246)	(2,246)	-	(2,246)
Sale of market making shares		-	-	-	-	-	-	274	-	-	274	-	274
Acquisition of treasury shares		-	-	-	-	-	-	-	(453)	-	(453)	-	(453)
Equity-settled share-based payment		-	-	-	-	-	(220)	-	765	-	545	-	545
Transfer to statutory reserve		-	2,128	-	-	-	-	-	-	(2,128)	-	-	-
Non-controlling interest recognised on acquisition		-	-	-	-	-	-	-	-	-	-	451	451
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(6,538)	(6,538)
Total contributions and distributions		-	2,128	-	-	-	(220)	274	312	(58,274)	(55,780)	(6,087)	(61,867)
At 30 September 2023 (reviewed)		166,320	86,188	44,000	(23,049)	(13,984)	484	(3,517)	(829)	251,791	507,404	47,151	554,555

The accompanying notes 1 to 14 are integral part of the condensed consolidated interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2024**

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**1 REPORTING ENTITY**

BEYON B.S.C. (previously known as Bahrain Telecommunications Company BSC) (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the nine months period ended 30 September 2024 comprise the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group", "Beyon" and individually as "Beyon entity") and the Beyon's interests in equity accounted investees. The Group is principally engaged in the provision of public telecommunications and associated products and services. With effect from 23 September 2024, the registered name of the Company was changed from Bahrain Telecommunications Company BSC to BEYON B.S.C.

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

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting'. These do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

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

**b) Material accounting policies**

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of relevant new IFRSs, amendments and interpretations issued by IASB that are effective for annual periods beginning on or after 1 January 2024. The impact of adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial statements.

**c) Seasonality**

Due to the effect of seasonal variations, the results reported in the condensed consolidated interim financial statements may not represent a proportionate share of the overall annual result. There is no significant effect from seasonal variations.

**d) Judgements and estimates**

In preparing these condensed consolidated interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2023.

**3 CASH AND BANK BALANCES**

Cash and bank balances include BD 24,716 (Dec 2023: BD 32,377) of short-term bank deposits with maturities exceeding three months, restricted cash and unclaimed dividends. These have been excluded from cash and cash equivalent in the condensed consolidated statement of cash flows.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2024**

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**4 LOANS AND BORROWINGS**

Terms financing and overdraft facilities from banks include:

- (i) Long term loan facility with a total available amount of BD 58.5 million (2023: BD 58.5 million) has been utilised by a Beyon entity to fund its working capital and license fees and is due to be settled by 2031. As at 30 September 2024, a total amount of BD 22.4 million (2023: BD 24.4 million) is outstanding against this facility out of which BD 3.5 million (2023: BD 3.5 million) is classified under current liabilities being due within the next 12 months;
- (ii) Long term loan facility with a total available amount of BD 8.0 million (2023: BD 8.0 million) has been obtained by a Beyon entity to fund its infrastructure and network requirements and is due to be settled by 2031. As at 30 September 2024, a total amount of BD 5.4 million (2023: BD 6.8 million) is outstanding against this facility out of which BD 1.0 million (2023: BD 1.0 million) is classified under current liabilities being due within the next 12 months;
- (iii) Long term loan facility with a total available amount of BD 12.8 million (2023: BD 12.8 million) has been obtained by a Beyon entity to fund its license fees and is due to be settled by 2031. As at 30 September 2024, a total amount of BD 11.3 million (2023: BD 12.7 million) is outstanding against this facility of which BD 1.8 million (2023: BD 1.8 million) is classified under current liabilities being due within the next 12 months;
- (iv) Long term loan facility with a total available amount of BD 8.0 million (2023: BD 8.0 million) has been obtained by a Beyon entity to fund its share in a joint venture and is due to be settled by 2031. As at 30 September 2024, a total amount of BD 7.1 million (2023: BD 8.0 million) is outstanding against this facility of which BD 1.1 million (2023: BD 1.1 million) is classified under current liabilities being due within the next 12 months;
- (v) The overdraft facilities have been obtained by a Beyon entity amounting to BD 15.2 million to support its working capital needs. The amount drawn at the balance sheet date amounted to BD 2.6 million (2023: BD Nil) and is classified under current liabilities. The undrawn overdraft limits as at 30 September 2024 amounted to BD 12.5 million (2023: BD 15.2 million);
- (vi) Long term loan facility with a total available amount of BD 6.0 million (2023: BD 6.0 million) has been obtained by a Beyon entity in 2022. As at 30 September 2024, a total amount of BD 6.0 million (2023: BD 6.0 million) is outstanding against this facility of which BD 0.3 million (2023: BD Nil) is classified under current liabilities being due within the next 12 months;
- (vii) Long term loan facility with a total available amount of BD 3.4 million (2023: BD 3.4 million) has been obtained by a Beyon entity in 2022. As at 30 September 2024, a total amount of BD 3.4 million (2023: BD 3.4 million) is outstanding against this facility of which BD 0.2 million (2023: BD Nil) is classified under current liabilities being due within the next 12 months;
- (viii) Long term loan facilities with a total available amount of BD 11.3 million (2023: BD 11.3 million) has been obtained by a Beyon entity in 2023. As at 30 September 2024, a total amount of BD 7.2 million (2023: BD 7.2 million) is outstanding against this facility of which BD 0.4 million (2023: BD Nil) is classified under current liabilities being due within the next 12 months;
- (ix) Long term loan facility with a total available amount of BD 169.6 million (2023: BD Nil), is obtained by the Company in 2024 to refinance its existing loan facility. As at 30 September 2024, the full amount is classified as non- current as it is due to be settled by one bullet payment in 2029;

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2024**

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*4 Loans and borrowings (continued)*

- (x) Long term loan facility with a total available amount of BD 75.4 million (2023: BD 75.4 million), of which BD 32.6 million is outstanding as of 30 September 2024 (2023: BD 14.1 million) 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;
- (xi) The import loan facility with a total available amount of BD 4.5 million (2023: 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 3.5 million (2023: BD 2.8 million) and is classified under current liabilities; and
- (xii) The import loan facility with a total available amount of BD 0.6 million (2023:BD Nil) is obtained by a Beyon entity at 9% fixed interest rate and is due to be settled within 90 days from the amounts drawn down. The amount drawn at the balance sheet date amounted to BD 0.5 million (2023: BD Nil) and is classified under current liabilities.

The above facilities carry interest rate at SOFR or relevant benchmarks plus margins. The interest rates ranged from 6.9% to 11.9% at 30 September 2024 (2023: 7.3% to 12.0%).

**5 REVENUE**

**a) Disaggregation of revenue**

Revenue by major products	Nine months ended 30 September		Three months ended 30 September	
	2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)
Mobile telecommunication services	155,552	148,341	51,467	49,396
Data communication circuits	52,019	49,378	16,821	16,905
Fixed broadband	56,755	58,205	19,191	19,499
Fixed line telecommunication services	12,951	13,767	4,314	4,530
Wholesale services	26,349	23,526	9,231	7,380
Others	29,431	22,207	9,097	8,794
	<b>333,057</b>	<b>315,424</b>	<b>110,121</b>	<b>106,504</b>

  

Revenue by timing of recognition	Nine months ended 30 September		Three months ended 30 September	
	2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)
Products transferred at a point in time (Equipment revenue)	29,357	23,811	7,715	7,082
Products and services transferred over time (Revenue from provision of services)	303,700	291,613	102,406	99,422
	<b>333,057</b>	<b>315,424</b>	<b>110,121</b>	<b>106,504</b>

For a further break down of total revenue by the Group's key geographical segments, please refer to note 14.

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## 5 Revenue (continued)

**b) Contract balances**

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

	<b>30 September 2024 (reviewed)</b>	<b>31 December 2023 (audited)</b>
Receivables and contract assets (included in trade and other receivables)	120,721	109,198
Contract liabilities (included in Trade and other payables)	20,070	27,602

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.

**6 EARNINGS PER SHARE**

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2024 (reviewed)</b>	2023 (reviewed)	<b>2024 (reviewed)</b>	2023 (reviewed)
Profit for the period attributable to equity holders of the Company	<b>56,176</b>	55,544	17,591	17,610
Weighted average number of shares outstanding during the period (million)	<b>1,653</b>	1,652	1,653	1,652
<b>Basic earnings per share (Fils)</b>	<b>34.0</b>	33.6	<b>10.6</b>	10.7

**7 COMMITMENTS AND CONTINGENCIES****a) Capital commitments**

The Group has capital commitments as at 30 September 2024 amounting to BD 115.2 million (31 December 2023: BD 67.9 million).

**b) Guarantees**

- (i) As at 30 September 2024, the Group's banks have issued guarantees amounting to BD 9.1 million (31 December 2023: BD 3.0 million) and letters of credit amounting to BD 26.4 million (31 December 2023: BD 5.0 million).
- (ii) The Group has furnished a comfort letter for BD 1.9 million (31 December 2023: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

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*7 Commitments and Contingencies (continued)***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 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% (2023: 75%) of the loan interest. At 30 September 2024, the Company had an outstanding guarantee of BD 0.1 million (31 December 2023: 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 at 30 September 2024, 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.

**8 FAIR VALUE**

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

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

*Fair value hierarchy*

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

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

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8 *Fair Value (continued)*

The table below analyses financial instruments measured as at 30 September 2024, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Fair value				Total carrying amount
	Level 1	Level 2	Level 3	Total fair value	
<b>30 September 2024</b>					
<b>Financial assets at fair value through profit and loss (FVTPL)</b>					
Investments – equity securities	-	-	1,896	1,896	1,896
<b>Financial assets at fair value through OCI (FVOCI)</b>					
Investments – debt and equity securities	47,706	302	27,791	75,799	75,799
<b>31 December 2023</b>					
<b>Financial assets at fair value through profit and loss (FVTPL)</b>					
Investments – equity securities	-	-	1,900	1,900	1,900
<b>Financial assets at fair value through OCI (FVOCI)</b>					
Investments – debt and equity securities	22,952	295	5,268	28,515	28,515

There were no transfers between levels 1, 2 and 3 during the period. The increase in level 3 investments is primarily due to the acquisition of debt securities amounting to BD 21.9 million. The fair value of this instrument corresponds to its carrying value. Other debt securities have been fair valued using its quoted prices. Loans and borrowings are repriced at frequent intervals and hence the carrying value is a reasonable approximation of its fair value. The Group has not disclosed the fair value for financial instruments such as short-term trade and other receivables, trade and other payables and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values.

**9 RELATED PARTIES**

**a) Transactions with related parties**

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

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9 *Related Parties (continued)***b) Transactions with key management personnel**

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

	<b>Nine months ended 30 September</b>	
	<b>2024 (reviewed)</b>	<b>2023 (reviewed)</b>
Short-term employee benefits	1,293	985
Long-term employee benefits	93	541
Post-employment benefits	111	62
<b>Total key management personnel compensation</b>	<b>1,497</b>	<b>1,588</b>
<b>Directors remuneration (including sitting fees)</b>	<b>461</b>	<b>509</b>

**10 APPROPRIATIONS**

The shareholders of the Company in their meeting held in March 2024 approved a final cash dividend of BD 42.2 million and donations of BD 3.6 million in respect of 2023, which were affected during the period.

In board meeting dated 5 August 2024, an interim dividend of 13.5 fils per share has been approved by the directors.

**11 CORPORATE TAX**

The Group operates in Bahrain where during this quarter Decree Law No. (11) of 2024 ("DMTT law") was issued on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") which requires the Bahrain entities of the Group to pay a top-up tax of up to 15%. The Group meets the quantitative threshold for application of the DMTT law. However, since the newly enacted DMTT law is effective only from fiscal years commencing on or after 1 January 2025, there is no current tax impact in the nine-month period ended 30 September 2024 (nine-month period ended 30 September 2023: nil).

The Group also expects to be subject to a top-up tax in relation to its operations in Isle of Man and Jersey which have also recently announced the intention to introduce a domestic minimum top-up tax effective for accounting periods beginning on or after 1 January 2025.

As the Group also operates in the United Kingdom which has already implemented a DMTT and an Income Inclusion Rule (IIR) and announced the intention to introduce an Undertaxed Payment Rule (UTPR) effective 1 January 2025, the Group is currently assessing the impact of the application of these rules for the current financial year.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.



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*11 Corporate Tax (continued)*

At 30 September 2024, the Group did not have sufficient information to determine the potential quantitative impact. Management has appointed consultants to assist them with impact assessment and to ensure compliance with the regulations. This impact assessment is still in progress.

**12 SUBSEQUENT EVENTS**

On 31 October 2024, Sure (Guernsey) Limited, one of Group's subsidiaries in Channel Islands, acquired entire issued share capital of Jersey Airtel Limited ("JAL") and Guernsey Airtel Limited Airtel (Acquiree Companies), which companies are engaged in provision of telecommunication services in Channel Islands. As the acquisition occurred after the reporting period but before the authorization of these condensed consolidated interim financial statements, it is considered a non-adjusting significant subsequent event and therefore does not impact these condensed consolidated interim financial statements.

At the time of authorizing these condensed consolidated interim financial statements, the initial accounting for the acquisition is incomplete. Management is in the process of determining the fair values of the identifiable assets acquired and liabilities assumed, as well as assessing potential liabilities related to ongoing contracts, pending litigations, warranties, regulatory matters, and possible legal claims. The total amount of goodwill is still being evaluated and will be finalized once the fair values of these assets and liabilities are determined.

Management anticipates completing the initial acquisition accounting in the next reporting period for the year ending 31 December 2024. The result of this initial accounting, including the determination of the fair values of the identifiable assets, liabilities, goodwill and the total consideration for the acquisition, will be reflected in the consolidated financial statements of the Group for that period. Any revisions to these provisional amounts and other required information will be finalized during the measurement period, which may extend up to 12 months from the acquisition date of 31 October 2024.

**13 COMPARATIVES**

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

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**14 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 nine months ended 30 September 2024 is as follows:

	For the nine months ended 30 September 2024 (reviewed)							For the nine months period ended 30 September 2023 (reviewed)						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
<b>Segment revenue and profit</b>														
Revenue (external customers)	158,700	80,332	50,780	43,245	-	-	333,057	151,205	74,672	47,627	41,920	-	-	315,424
Inter-segment revenues	572	840	-	-	-	(1,412)	-	448	718	-	-	-	(1,166)	-
Profit/(loss)	33,107	6,866	15,378	9,445	163	(566)	64,393	32,669	7,413	14,510	8,245	(10)	-	62,827
	<b>As at 30 September 2024 (reviewed)</b>							<b>As at 31 December 2023 (audited)</b>						
<b>Segment assets &amp; liabilities</b>														
Non-current assets	338,134	325,282	102,489	81,091	6,367	(14,322)	839,041	283,902	324,686	104,743	74,540	6,490	(14,688)	779,673
Current assets	195,675	55,467	82,953	25,703	2,934	(11,060)	351,672	221,736	68,156	84,099	23,188	2,956	(14,443)	385,692
<b>Total assets</b>	<b>533,809</b>	<b>380,749</b>	<b>185,442</b>	<b>106,794</b>	<b>9,301</b>	<b>(25,382)</b>	<b>1,190,713</b>	<b>505,638</b>	<b>392,842</b>	<b>188,842</b>	<b>97,728</b>	<b>9,446</b>	<b>(29,131)</b>	<b>1,165,365</b>
Non-current liabilities	221,159	119,256	28,012	14,214	-	(31,691)	350,950	189,885	143,419	29,222	13,673	-	(19,727)	356,472
Current liabilities	103,222	99,920	34,355	16,043	112	(10,924)	242,728	92,261	94,480	38,405	16,296	117	(15,209)	226,350
<b>Total liabilities</b>	<b>324,381</b>	<b>219,176</b>	<b>62,367</b>	<b>30,257</b>	<b>112</b>	<b>(42,615)</b>	<b>593,678</b>	<b>282,146</b>	<b>237,899</b>	<b>67,627</b>	<b>29,969</b>	<b>117</b>	<b>(34,936)</b>	<b>582,822</b>
<b>Net assets</b>	<b>209,428</b>	<b>161,573</b>	<b>123,075</b>	<b>76,537</b>	<b>9,189</b>	<b>17,233</b>	<b>597,035</b>	<b>223,492</b>	<b>154,943</b>	<b>121,215</b>	<b>67,759</b>	<b>9,329</b>	<b>5,805</b>	<b>582,543</b>