

**Bahrain Telecommunications
Company BSC**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

30 June 2022

Bahrain Telecommunications Company BSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022**

CONTENTS	Page
Financial highlights	1
Independent auditors' report on review of the condensed consolidated interim financial statements	2
Condensed consolidated interim financial statements	
Condensed consolidated statement of financial position	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of cash flows	5
Condensed consolidated statement of changes in equity	6 – 7
Notes to the condensed consolidated interim financial statements	8 - 15

**FINANCIAL HIGHLIGHTS (presented for information purposes only)
for the six months ended 30 June 2022**

Six months ended 30 June	Unit	2022	2021	Variation %
Gross revenue	BD million	197.7	198.2	(0.3%)
Expenses	BD million	150.8	148.9	(1.3%)
Profit attributable to Batelco shareholders	BD million	37.9	37.5	1.1%
Return on net worth (Annualized)	%	14.9	13.7*	8.8%
Weighted average number of shares outstanding during the period	million	1,652	1,654*	(0.1%)
Basic and diluted earnings per share for the period	Fils	22.9	22.7	0.9%

**Based on actual figures for the year ended 31 December 2021*

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

To the Shareholders of
Bahrain Telecommunications Company BSC
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 June 2022 condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2022;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2022;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2022;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2022; 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 June 2022 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

25 July 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

BD'000

	Note	30 June 2022 (reviewed)	31 December 2021 (audited)
ASSETS			
Non-current assets			
Property and equipment		275,729	300,494
Right-of-use assets		54,947	55,170
Goodwill		134,932	137,259
Other intangible assets		129,757	125,882
Equity accounted investees		7,008	7,142
Deferred tax assets		7,890	7,429
Investments		22,717	23,078
Other non-current assets		4,969	5,099
Total non-current assets		637,949	661,553
Current assets			
Inventories		8,388	8,784
Trade and other receivables		156,039	135,893
Investments		-	3,611
Cash and bank balances	3	226,176	220,744
Total current assets		390,603	369,032
Total assets		1,028,552	1,030,585
LIABILITIES			
Non-current liabilities			
Trade and other payables		33,924	26,740
Lease liabilities		45,207	45,527
Loans and borrowings	4	222,526	223,151
Deferred tax liabilities		6,720	7,701
Total non-current liabilities		308,377	303,119
Current liabilities			
Trade and other payables		179,042	185,015
Lease liabilities		7,822	8,046
Loans and borrowings	4	5,256	3,722
Total current liabilities		192,120	196,783
Total liabilities		500,497	499,902
Net assets		528,055	530,683
EQUITY			
Share capital		166,320	166,320
Statutory reserve		84,060	83,285
General reserve		44,000	44,001
Other reserves		(47,805)	(35,668)
Treasury shares		(5,179)	(4,578)
Retained earnings		244,225	236,236
Total equity attributable to equity holders of the Company		485,621	489,596
Non-controlling interest		42,434	41,087
Total equity		528,055	530,683

The condensed consolidated interim financial statements were approved by the Board of Directors on 25 July 2022 and signed on its behalf by:

Abdulla bin Khalifa Al Khalifa
Chairman

Raed Abdulla Fakhri
Deputy Chairman

Mikkel Vinter
Chief Executive Officer

The accompanying notes 1 to 13 are integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2022

BD'000

	Note	Six months ended 30 June		Three months ended 30 June	
		2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
REVENUE	5	197,662	198,163	99,189	98,435
EXPENSES					
Network operating expenses		(61,364)	(64,031)	(30,189)	(31,360)
Staff costs		(26,891)	(26,154)	(13,050)	(13,350)
Depreciation, amortisation and tangible assets impairment		(36,658)	(36,150)	(18,142)	(17,831)
Impairment loss on trade receivables and contract assets		(1,402)	(1,674)	(654)	(1,054)
Other operating expenses		(24,509)	(20,880)	(12,432)	(11,010)
Total expenses		(150,824)	(148,889)	(74,467)	(74,605)
Results from operating activities		46,838	49,274	24,722	23,830
Finance and related income		2,140	2,127	1,053	1,052
Finance and related expense		(6,506)	(5,769)	(3,358)	(2,877)
Other income (net)		4,484	625	1,935	317
Share of loss from equity accounted investees (net)		(132)	(321)	(4)	(157)
Profit before taxation		46,824	45,936	24,348	22,165
Income tax expense		(3,939)	(4,133)	(1,899)	(2,514)
Profit for the period		42,885	41,803	22,449	19,651
Other comprehensive income:					
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences – foreign operations		(8,190)	709	(5,778)	211
Investment fair value changes (debt securities)		(168)	57	(94)	15
		(8,358)	766	(5,872)	226
Items that will never be reclassified to profit or loss:					
Investment fair value changes (equity securities)		(3,826)	8,884	(1,297)	(724)
		(3,826)	8,884	(1,297)	(724)
Total other comprehensive income, net of tax		(12,184)	9,650	(7,169)	(498)
Total comprehensive income for the period		30,701	51,453	15,280	19,153
Profit for the period attributable to:					
Equity holders of the Company		37,853	37,526	19,950	17,805
Non-controlling interest		5,032	4,277	2,499	1,846
		42,885	41,803	22,449	19,651
Total comprehensive income for the period attributable to:					
Equity holders of the Company		25,669	47,176	12,781	17,307
Non-controlling interest		5,032	4,277	2,499	1,846
		30,701	51,453	15,280	19,153
Basic and diluted earnings per share (Fils)	6	22.9	22.7	12.1	10.8

The condensed consolidated interim financial statements were approved by the Board of Directors on 25 July 2022 and signed on its behalf by:

Abdulla bin Khalifa Al Khalifa
Chairman

Raed Abdulla Fakhri
Deputy Chairman

Mikkel Vinter
Chief Executive Officer

The accompanying notes 1 to 13 are integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2022

BD'000

	Note	Six months ended 30 June	
		2022 (reviewed)	2021 (reviewed)
OPERATING ACTIVITIES			
Profit for the period		42,885	41,803
Adjustment for:			
Non-operating items, including tax		3,821	7,150
Share of loss from equity accounted investees		132	321
Depreciation, amortisation and tangible assets impairment		36,658	36,150
Impairment loss on trade receivables and contract assets		1,402	1,674
		84,898	87,098
Working capital changes:			
Increase in trade and other receivables		(8,621)	(9,200)
Decrease / (increase) in inventories		293	(1,434)
(Decrease) / increase in trade and other payables		(4,140)	2,096
Cash generated from operating activities		72,430	78,560
Taxes paid		(3,933)	(3,798)
Payment to charities		(821)	(528)
Net cash from operating activities		67,676	74,234
INVESTING ACTIVITIES			
Acquisition of property, equipment and intangibles, net of disposal		(25,003)	(32,144)
Net cash from sale / (purchase) of other investments		17,181	(32,969)
Interest and investment income received		5,876	2,900
Net cash used in investing activities		(1,946)	(62,213)
FINANCING ACTIVITIES			
Dividend paid		(32,631)	(31,912)
Payment of lease liabilities		(5,872)	(6,652)
Interest paid		(3,993)	(3,384)
Borrowings drawn, net		814	5,561
Acquisition of share-based payment treasury shares		(361)	(164)
Market making share transactions, net		(240)	(929)
Net cash used in financing activities		(42,283)	(37,480)
Increase / (decrease) in cash and cash equivalents during the period		23,447	(25,459)
Cash and cash equivalents at 1 January		138,727	143,457
Cash and cash equivalents at 30 June	3	162,174	117,998

The accompanying notes 1 to 13 are integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2022

BD'000

2022	Equity attributable to equity holders of the Company											Non - controlling interest	Total equity
	Note	Share Capital	Statutory reserve	General reserve	Other Reserves			Treasury shares		Retained earnings	Total		
					Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares				
At 1 January 2022		166,320	83,285	44,001	(14,873)	(21,328)	533	(3,697)	(881)	236,236	489,596	41,087	530,683
Profit for the period		-	-	-	-	-	-	-	-	37,853	37,853	5,032	42,885
Other comprehensive income													
Foreign currency translation differences		-	-	-	(8,190)	-	-	-	-	-	(8,190)	-	(8,190)
Investment fair value changes		-	-	-	-	(3,994)	-	-	-	-	(3,994)	-	(3,994)
Total other comprehensive income		-	-	-	(8,190)	(3,994)	-	-	-	-	(12,184)	-	(12,184)
Total comprehensive income for the period		-	-	-	(8,190)	(3,994)	-	-	-	37,853	25,669	5,032	30,701
Contributions and distributions													
Final dividends declared for 2021	10	-	-	-	-	-	-	-	-	(27,443)	(27,443)	-	(27,443)
Donations approved for 2021	10	-	-	-	-	-	-	-	-	(1,647)	(1,647)	-	(1,647)
Purchase of market making shares		-	-	-	-	-	-	(240)	-	-	(240)	-	(240)
Acquisition of treasury shares		-	-	-	-	-	-	-	(361)	-	(361)	-	(361)
Equity-settled share-based payment		-	-	-	-	-	47	-	-	-	47	-	47
Transfer to general reserve		-	1	(1)	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve		-	774	-	-	-	-	-	-	(774)	-	-	-
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(3,685)	(3,685)
Total contributions and distributions		-	775	(1)	-	-	47	(240)	(361)	(29,864)	(29,644)	(3,685)	(33,329)
At 30 June 2022 (reviewed)		166,320	84,060	44,000	(23,063)	(25,322)	580	(3,937)	(1,242)	244,225	485,621	42,434	528,055

The accompanying notes 1 to 13 are integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2022 (continued)

BD'000

2021	Equity attributable to equity holders of the Company											Non - controlling interest	Total equity
	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 2021	166,320	83,285	44,000	(13,228)	(28,807)	-	(2,076)	(716)	224,390	473,168	38,914	512,082	
Profit for the period									37,526	37,526	4,277	41,803	
Other comprehensive income													
Foreign currency translation difference	-	-	-	707	-	-	-	-	2	709	-	709	
Investment fair value changes	-	-	-	-	8,942	-	-	-	(1)	8,941	-	8,941	
Total other comprehensive income	-	-	-	707	8,942	-	-	-	1	9,650	-	9,650	
Total comprehensive income for the period	-	-	-	707	8,942	-	-	-	37,527	47,176	4,277	51,453	
Contributions and distributions													
Final dividends declared for 2020	-	-	-	-	-	-	-	-	(27,308)	(27,308)	-	(27,308)	
Donations approved for 2020	-	-	-	-	-	-	-	-	(4,392)	(4,392)	-	(4,392)	
Purchase of market making shares	-	-	-	-	-	-	(929)	-	-	(929)	-	(929)	
Acquisition of treasury shares	-	-	-	-	-	-	-	(164)	-	(164)	-	(164)	
Equity-settled share-based payment	-	-	-	-	-	386	-	-	-	386	-	386	
Transfer to general reserve	-	-	1	-	-	-	-	-	(1)	-	-	-	
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,602)	(4,602)	
Total contributions and distributions	-	-	1	-	-	386	(929)	(164)	(31,701)	(32,407)	(4,602)	(37,009)	
At 30 June 2021 (reviewed)	166,320	83,285	44,001	(12,521)	(19,865)	386	(3,005)	(880)	230,216	487,937	38,589	526,526	

The accompanying notes 1 to 13 are integral part of the condensed consolidated interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022**

BD'000

1 REPORTING ENTITY

Bahrain Telecommunications Company BSC (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the six months period ended 30 June 2022 comprise the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group") and the Group's interests in equity accounted investees. The Group is principally engaged in the provision of public telecommunications and associated products and services.

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

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting'. These do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021. 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 2021.

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

b) Significant accounting policies

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2021, 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 2022. 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 2021 except for the effects of those identified in Note 11.

3 CASH AND BANK BALANCES

Cash and bank balances include BD 64,002 (Dec 2021: BD 82,017) 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 six months ended 30 June 2022**

BD'000

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 (2021: BD 58.5 million) has been utilised by a Group company to fund the company's working capital and license fees. The facility bears an interest rate of PLR – 3.35% per annum and was due to be settled by 2023. During 2021, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period. As at 30 June 2022, a total amount of BD 24.4 million (2021: BD 24.4 million) is outstanding against this facility out of which BD nil (2021: BD nil) is classified under current liabilities being due within the next 12 months;
- (ii) Long term loan facility with a total available amount of BD 8.0 million (2021: BD 8.0 million) has been obtained by a Group company to fund the company's infrastructure and network requirements. The facility bears an interest rate of PLR -2.2% per annum and was due to be settled by 2025. During 2021, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period. As at 30 June 2022, a total amount of BD 6.8 million (2021: BD 6.8 million) is outstanding against this facility out of which BD nil (2021: BD nil) is classified under current liabilities being due within the next 12 months;
- (iii) Long term loan facility with a total available amount of BD 12.8 million (2021: BD 12.8 million) has been obtained by a Group company to fund the company's license fees. The facility bears an interest rate of PLR -2.125% per annum and was due to be settled by 2024. During 2021, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period. As at 30 June 2022, a total amount of BD 12.7 million (2021: BD 12.7 million) is outstanding against this facility of which BD nil (2021: BD nil) is classified under current liabilities being due within the next 12 months;
- (iv) Long term loan facility with a total available amount of BD 8.0 million (2021: BD 8.0 million) has been obtained by a Group company to fund the company's share in a joint venture. The facility bears an interest rate of PLR -1.75% per annum and was due to be settled by 2024. During 2021, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period. As at 30 June 2022, a total amount of BD 8.0 million (2021: BD 8.0 million) is outstanding against this facility of which BD nil (2021: BD nil) is classified under current liabilities being due within the next 12 months;
- (v) Long term loan facility with a total available amount of BD 3.0 million (2021: BD 3.0 million) has been obtained by a Group company in 2021 to finance the deferred capital payments. The facility bears an interest rate of 3 months LIBOR + 4.75% per annum and is due to be settled by May 2024. As at 30 June 2022, a total amount of BD 2.3 million (2021: BD 2.9 million) is outstanding against this facility of which BD 1.2 million (2021: BD 1.2 million) is classified under current liabilities being due within the next 12 months.
- (vi) The import loan facility with a total available amount of BD 4.5 million (2021: BD 4.5 million) is obtained by a Group company to support its capital expenditure requirements. The interest rates on this facility is at the rate of 3 months LIBOR + 4.75% p.a. and is due to be settled within 365 days for the amounts drawn down. The amount drawn at the balance sheet date amounted to BD 4.0 million (2021: BD 2.6 million) and is classified under current liabilities.
- (vii) Long term loan facility with a total available amount of BD 169.7 million (2021: BD 169.7 million), of which BD 169.7 million is outstanding as of 30 June 2022 (2021: BD 169.7 million) was obtained by the Company to fund its bond repayment in May 2020. The facility bears an interest rate of Libor + 1.80% per annum and is due to be settled by one bullet payment in 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022

BD'000

5 REVENUE

a) Disaggregation of revenue
Revenue by major products

	Six months ended 30 June		Three months ended 30 June	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Mobile telecommunication services	92,735	91,005	46,041	44,813
Data communication circuits	32,321	36,376	16,150	18,401
Fixed broadband	38,574	38,739	19,347	19,416
Fixed line telecommunication services	9,934	10,984	4,841	5,379
Wholesale services	12,260	10,095	6,308	5,218
Others	11,838	10,964	6,502	5,208
	197,662	198,163	99,189	98,435

Revenue by timing of recognition

	Six months ended 30 June		Three months ended 30 June	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Products transferred at a point in time (Equipment revenue)	14,129	15,384	6,644	6,810
Products and services transferred over time (Revenue from provision of services)	183,533	182,779	92,545	91,625
	197,662	198,163	99,189	98,435

For a further break down of total revenue by the Group's key geographical segments, please refer to note 13.

b) Contract balances

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

	30 June 2022 (reviewed)	31 December 2021 (audited)
Receivables and contract assets <i>(included in trade and other receivables)</i>	124,955	111,848
Contract liabilities <i>(included in Trade and other payables)</i>	5,832	6,661

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022

BD'000

6 EARNINGS PER SHARE

	Six months ended 30 June		Three months ended 30 June	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Profit for the period attributable to equity holders of the Company	37,853	37,526	19,950	17,805
Weighted average number of shares outstanding during the period (million)	1,652	1,654	1,652	1,654
Basic earnings per share (Fils)	22.9	22.7	12.1	10.8

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

The Group has capital commitments at 30 June 2022 amounting to BD 25.5 million (31 December 2021: BD 25.9 million).

b) Guarantees

- (i) As at 30 June 2022, the Group's banks have issued guarantees, amounting to BD 6.01 million (31 December 2021: BD 8.9 million) and letters of credit amounting to BD 14 million (31 December 2021: BD 8.7 million).
- (ii) The Group has furnished a comfort letter for BD 1.9 million (31 December 2021: 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% (2021: 75%) of the loan interest. At 30 June 2022 the Company had an outstanding guarantee of BD 0.2 million (31 December 2021: BD 0.3 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 period end, the Group is defending or plans to defend 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/penalties are being made by the Group as the Directors believe that such disclosures may be prejudicial to the Group's legal position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022

BD'000

8 FAIR VALUE

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

The table below analyses financial instruments measured as at 30 June 2022, 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	
30 June 2022						
Financial assets at fair value through profit and loss (FVTPL)						
	Investments – equity securities	-	-	11	11	11
Financial assets at fair value through OCI (FVOCI)						
	Investments – debt and equity securities	12,432	-	5,028	17,460	17,460
31 December 2021						
Financial assets at fair value through profit and loss (FVTPL)						
	Investments – equity securities	-	-	11	11	11
Financial assets at fair value through OCI (FVOCI)						
	Investments – debt and equity securities	17,160	149	4,122	21,431	21,431

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022

BD'000

8. *FAIR VALUE (continued)*

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

9 RELATED PARTIES

a) Transactions with related parties

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

b) Transactions with key management personnel

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

	Six months ended 31 June	
	2022 (reviewed)	2021 (reviewed)
Short-term employee benefits	673	846
Post-employment benefits	18	12
Total key management personnel compensation	691	858
Directors remuneration (including sitting fees)	318	220

10 APPROPRIATIONS

The shareholders of the Company in their meeting held in March 2022 approved a cash dividend of BD 27.44 million and donations of BD 1.65 million in respect of 2021, which were effected during the period.

In Board meeting dated 25 July 2022, an interim dividend of 13.5 fils per share has been approved by the directors. These financial statements do not reflect this interim dividend payable.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022**

BD'000

11 SIGNIFICANT EVENT

The current ongoing conflict between Russia-Ukraine has triggered a global economic disruption and has, amongst other impacts, led to increased volatility in financial markets and commodity prices due to disruption of supply chain which may affect a broad range of entities across different jurisdictions and industries.

The management has carried out an assessment of its portfolio and has concluded that it does not have any direct exposures to / from the impacted countries. However, potential for indirect exposures continue to exist. At this stage it is difficult to quantify the full impact of this conflict since it depends largely on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets. The management will continue to closely monitor impact of this evolving situation on its portfolio to assess indirect impact, if any. As at 30 June 2022 the Group does not have a material impact of this conflict.

12 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2022

BD'000

13 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 six months ended 30 June 2022 is as follows:

For the six months ended 30 June 2022 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment revenue and profit							
Revenue (external customers)	92,637	46,657	30,806	27,562	-	-	197,662
Inter-segment revenues	17	208	-	-	-	(225)	-
Profit/(loss)	25,038	3,107	10,225	4,535	(20)	-	42,885

For the six months period ended 30 June 2021 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment revenue and profit							
Revenue (external customers)	93,776	44,229	31,237	28,921	-	-	198,163
Inter-segment revenues	39	216	-	-	-	(255)	-
Profit/(loss)	26,477	2,169	8789	4,374	(6)	-	41,803

As at 30 June 2022 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment assets & liabilities							
Non-current assets	206,580	272,899	94,396	68,121	7,075	(11,122)	637,949
Current assets	250,298	57,302	67,058	29,594	1,185	(14,834)	390,603
Total assets	456,878	330,201	161,454	97,715	8,260	(25,956)	1,028,552
Non-Current liabilities	181,518	125,142	13,985	13,198	-	(25,466)	308,377
Current liabilities	99,957	62,271	40,586	12,827	119	(23,640)	192,120
Total liabilities	281,475	187,413	54,571	26,025	119	(49,106)	500,497
Net assets	175,403	142,788	106,883	71,690	8,141	23,150	528,055

As at 31 December 2021 (audited)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment assets & liabilities							
Non-current assets	213,879	277,415	97,523	76,057	7,478	(10,799)	661,553
Current assets	239,651	48,042	59,172	35,058	183	(13,074)	369,032
Total assets	453,530	325,457	156,695	111,115	7,661	(23,873)	1,030,585
Non-Current liabilities	173,908	117,317	14,580	13,719	-	(16,405)	303,119
Current liabilities	94,794	67,670	38,882	15,317	104	(19,984)	196,783
Total liabilities	268,702	184,987	53,462	29,036	104	(36,389)	499,902
Net assets	184,828	140,470	103,233	82,079	7,557	12,516	530,683

