

**Bahrain Telecommunications  
Company BSC**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**30 September 2022**

**Bahrain Telecommunications Company BSC**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2022**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)  
for the nine months ended 30 September 2022**

<b>Nine months ended 30 September</b>	<b>Unit</b>	<b>2022</b>	<b>2021</b>	<b>Variation %</b>
Gross revenue	BD million	298.3	296.4	0.6%
Expenses	BD million	228.6	225.3	1.5%
Profit attributable to Batelco shareholders	BD million	54.1	53.2	1.7%
Return on net worth (annualized)	%	14.7	13.7*	7.3%
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	32.8	32.2	1.9%

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2022**

BD'000

	Note	30 September 2022 (reviewed)	31 December 2021 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		272,866	300,494
Right-of-use assets		54,103	55,170
Goodwill		133,277	137,259
Other intangible assets		144,284	125,882
Equity accounted investees		7,058	7,142
Deferred tax assets		7,756	7,429
Investments		15,870	23,078
Other non-current assets		5,058	5,099
<b>Total non-current assets</b>		<b>640,272</b>	<b>661,553</b>
<b>Current assets</b>			
Inventories		6,473	8,784
Trade and other receivables		164,698	135,893
Investments		3,508	3,611
Cash and bank balances	3	217,121	220,744
<b>Total current assets</b>		<b>391,800</b>	<b>369,032</b>
<b>Total assets</b>		<b>1,032,072</b>	<b>1,030,585</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables		55,663	26,740
Lease liabilities		46,779	45,527
Loans and borrowings	4	222,134	223,151
Deferred tax liabilities		6,170	7,701
<b>Total non-current liabilities</b>		<b>330,746</b>	<b>303,119</b>
<b>Current liabilities</b>			
Trade and other payables		170,766	185,015
Lease liabilities		7,596	8,046
Loans and borrowings	4	5,389	3,722
<b>Total current liabilities</b>		<b>183,751</b>	<b>196,783</b>
<b>Total liabilities</b>		<b>514,497</b>	<b>499,902</b>
<b>Net assets</b>		<b>517,575</b>	<b>530,683</b>
<b>EQUITY</b>			
Share capital		166,320	166,320
Statutory reserve		84,060	83,285
General reserve		44,000	44,001
Other reserves		(53,525)	(35,668)
Treasury shares		(4,744)	(4,578)
Retained earnings		238,302	236,236
<b>Total equity attributable to equity holders of the Company</b>		<b>474,413</b>	<b>489,596</b>
Non-controlling interest		43,162	41,087
<b>Total equity</b>		<b>517,575</b>	<b>530,683</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 31 October 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 nine months ended 30 September 2022

BD'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
<b>REVENUE</b>	5	<b>298,257</b>	296,367	<b>100,595</b>	98,204
<b>EXPENSES</b>					
Network operating expenses		(95,660)	(95,097)	(34,296)	(31,066)
Staff costs		(39,837)	(39,490)	(12,946)	(13,336)
Depreciation, amortisation and tangible assets impairment		(53,907)	(54,954)	(17,249)	(18,804)
Impairment loss on trade receivables and contract assets		(1,857)	(2,490)	(455)	(816)
Other operating expenses		(37,357)	(33,303)	(12,848)	(12,423)
<b>Total expenses</b>		<b>(228,618)</b>	(225,334)	<b>(77,794)</b>	(76,445)
<b>Results from operating activities</b>		<b>69,639</b>	71,033	<b>22,801</b>	21,759
Finance and related income		3,419	3,093	1,279	966
Finance and related expenses		(10,585)	(8,676)	(4,079)	(2,907)
Other income		4,780	684	296	59
Share of (loss) / profit from equity accounted investees (net)		(81)	(525)	51	(204)
<b>Profit before taxation</b>		<b>67,172</b>	65,609	<b>20,348</b>	19,673
Income tax expense		(5,826)	(6,065)	(1,887)	(1,932)
<b>Profit for the period</b>		<b>61,346</b>	59,544	<b>18,461</b>	17,741
<b>Other comprehensive income:</b>					
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences – foreign operations		(13,740)	(757)	(5,550)	(1,466)
Investment fair value changes (debt securities)		(155)	(19)	13	(76)
		<b>(13,895)</b>	(776)	<b>(5,537)</b>	(1,542)
<b>Items that will not be reclassified to profit or loss:</b>					
Investment fair value changes (equity securities)		(4,049)	8,124	(223)	(760)
		<b>(4,049)</b>	8,124	<b>(223)</b>	(760)
<b>Other comprehensive income, net of tax</b>		<b>(17,944)</b>	7,348	<b>(5,760)</b>	(2,302)
<b>Total comprehensive income for the period</b>		<b>43,402</b>	66,892	<b>12,701</b>	15,439
<b>Profit for the period attributable to:</b>					
Equity holders of the Company		54,105	53,219	16,252	15,693
Non-controlling interest		7,241	6,325	2,209	2,048
		<b>61,346</b>	59,544	<b>18,461</b>	17,741
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		36,161	60,567	10,492	13,391
Non-controlling interest		7,241	6,325	2,209	2,048
		<b>43,402</b>	66,892	<b>12,701</b>	15,439
<b>Basic and diluted earnings per share (Fils)</b>	6	<b>32.8</b>	32.2	<b>9.8</b>	9.5

The condensed consolidated interim financial statements were approved by the Board of Directors on 31 October 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 nine months ended 30 September 2022**

BD'000

	Note	Nine months ended 30 September	
		2022 (reviewed)	2021 (reviewed)
<b>OPERATING ACTIVITIES</b>			
Profit for the period		61,346	59,544
<b>Adjustment for:</b>			
Non-operating items, including tax		8,212	10,964
Share of loss from equity accounted investees		81	525
Depreciation, amortisation and tangible assets impairment		53,907	54,954
Impairment loss on trade receivables and contract assets		1,857	2,490
		125,403	128,477
<b>Working capital changes:</b>			
Increase in trade and other receivables		(20,485)	(4,295)
Decrease in inventories		2,139	545
Increase in trade and other payables		1,954	2,315
<b>Cash generated from operating activities</b>		<b>109,011</b>	127,042
Taxes paid		(6,900)	(5,569)
Payment to charities		(1,108)	(531)
<b>Net cash from operating activities</b>		<b>101,003</b>	120,942
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, equipment and intangibles, net of disposal		(40,423)	(46,621)
Net cash from sale / (for purchase) of other investments		12,224	(49,423)
Interest and investment income received		6,492	3,332
<b>Net cash used in investing activities</b>		<b>(21,707)</b>	(92,712)
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(56,441)	(56,103)
Payment of lease liabilities		(8,981)	(8,942)
Interest paid		(6,778)	(4,820)
Borrowings drawn		499	1,364
Acquisition of share-based payment treasury shares		(280)	(164)
Sale / (purchase) of market making shares		114	(1,351)
<b>Net cash used in financing activities</b>		<b>(71,867)</b>	(70,016)
<b>Increase / (decrease) in cash and cash equivalents during the period</b>		<b>7,429</b>	(41,786)
Cash and cash equivalents at 1 January		138,727	143,457
<b>Cash and cash equivalents at 30 September</b>	3	<b>146,156</b>	101,671

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 nine months ended 30 September 2022

BD'000

2022	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 2022	166,320	83,285	44,001	(14,873)	(21,328)	533	(3,697)	(881)	236,236	489,596	41,087	530,683	
<b>Profit for the period</b>	-	-	-	-	-	-	-	-	54,105	54,105	7,241	61,346	
<b>Other comprehensive income</b>													
Foreign currency translation differences	-	-	-	(13,740)	-	-	-	-	-	(13,740)	-	(13,740)	
Investment fair value changes	-	-	-	-	(4,204)	-	-	-	-	(4,204)	-	(4,204)	
<b>Total other comprehensive income</b>	-	-	-	<b>(13,740)</b>	<b>(4,204)</b>	-	-	-	-	<b>(17,944)</b>		<b>(17,944)</b>	
<b>Total comprehensive income for the period</b>	-	-	-	<b>(13,740)</b>	<b>(4,204)</b>	-	-	-	<b>54,105</b>	<b>36,161</b>	<b>7,241</b>	<b>43,402</b>	
<b>Contributions and distributions</b>													
Final dividends declared for 2021	-	-	-	-	-	-	-	-	(27,443)	(27,443)	-	(27,443)	
Interim dividend declared for 2022	-	-	-	-	-	-	-	-	(22,175)	(22,175)	-	(22,175)	
Donations approved for 2021	-	-	-	-	-	-	-	-	(1,647)	(1,647)	-	(1,647)	
Purchase of market making shares	-	-	-	-	-	-	114	-	-	114	-	114	
Acquisition of treasury shares	-	-	-	-	-	-	-	(361)	-	(361)	-	(361)	
Equity-settled share-based payment	-	-	-	-	-	87	-	81	-	168	-	168	
Transfer to general reserve	-	1	(1)	-	-	-	-	-	-	-	-	-	
Transfer to statutory reserve	-	774	-	-	-	-	-	-	(774)	-	-	-	
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,166)	(5,166)	
<b>Total contributions and distributions</b>	-	<b>775</b>	<b>(1)</b>	-	-	<b>87</b>	<b>114</b>	<b>(280)</b>	<b>(52,039)</b>	<b>(51,344)</b>	<b>(5,166)</b>	<b>(56,510)</b>	
<b>At 30 September 2022 (reviewed)</b>	<b>166,320</b>	<b>84,060</b>	<b>44,000</b>	<b>(28,613)</b>	<b>(25,532)</b>	<b>620</b>	<b>(3,583)</b>	<b>(1,161)</b>	<b>238,302</b>	<b>474,413</b>	<b>43,162</b>	<b>517,575</b>	

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 nine months ended 30 September 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	-	-	-	-	-	-	-	-	53,219	53,219	6,325	59,544	
Other comprehensive income													
Foreign currency translation differences	-	-	-	(757)	-	-	-	-	-	(757)	-	(757)	
Investment fair value changes	-	-	-	-	8,105	-	-	-	-	8,105	-	8,105	
Total other comprehensive income	-	-	-	(757)	8,105	-	-	-	-	7,348	-	7,348	
Total comprehensive income for the period	-	-	-	(757)	8,105	-	-	-	53,219	60,567	6,325	66,892	
Contributions and distributions													
Final dividends declared for 2020	-	-	-	-	-	-	-	-	(27,308)	(27,308)	-	(27,308)	
Interim dividend declared for 2021	-	-	-	-	-	-	-	-	(22,344)	(22,344)	-	(22,344)	
Donations approved for 2020	-	-	-	-	-	-	-	-	(4,392)	(4,392)	-	(4,392)	
Purchase of market making shares	-	-	-	-	-	-	(1,351)	-	-	(1,351)	-	(1,351)	
Acquisition of treasury shares	-	-	-	-	-	-	-	(164)	-	(164)	-	(164)	
Equity-settled share-based payment	-	-	-	-	-	459	-	-	-	459	-	459	
Transfer to general reserve	-	-	1	-	-	-	-	-	(1)	-	-	-	
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(6,447)	(6,447)	
Total contributions and distributions	-	-	1	-	-	459	(1,351)	(164)	(54,045)	(55,100)	(6,447)	(61,547)	
At 30 September 2021 (reviewed)	166,320	83,285	44,001	(13,985)	(20,702)	459	(3,427)	(880)	223,564	478,635	38,792	517,427	

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 nine months ended 30 September 2022**

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**1 REPORTING ENTITY**

Bahrain Telecommunications Company BSC (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the nine months period ended 30 September 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 understand 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, however this is not significant.

**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 70,965 (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 nine months ended 30 September 2022**

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**4 LOANS AND BORROWINGS**

Terms financing 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 September 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 September 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 September 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 September 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 September 2022, a total amount of BD 1.9 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 rate 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 4.2 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 September 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 nine months ended 30 September 2022**

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**5 REVENUE****a) Disaggregation of revenue**

Revenue by major products	Nine months ended 30 September		Three months ended 30 September	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Mobile telecommunication services	139,628	136,668	46,893	45,663
Data communication circuits	47,984	53,057	15,663	16,681
Fixed broadband	58,185	58,212	19,611	19,473
Fixed line telecommunication services	14,734	16,417	4,800	5,433
Wholesale services	19,595	15,269	7,335	5,174
Others	18,131	16,744	6,293	5,780
	<b>298,257</b>	<b>296,367</b>	<b>100,595</b>	<b>98,204</b>

Revenue by timing of recognition	Nine months ended 30 September		Three months ended 30 September	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Products transferred at a point in time (Equipment revenue)	21,599	22,565	7,470	7,181
Products and services transferred over time (Revenue from provision of services)	276,658	273,802	93,125	91,023
	<b>298,257</b>	<b>296,367</b>	<b>100,595</b>	<b>98,204</b>

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 September 2022 (reviewed)	31 December 2021 (audited)
Receivables and contract assets ( <i>included in trade and other receivables</i> )	127,413	111,848
Contract liabilities (included in Trade and other payables)	18,499	10,627

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 nine months ended 30 September 2022**

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**6 EARNINGS PER SHARE**

	Nine months ended 30 September		Three months ended 30 September	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Profit for the period attributable to equity holders of the Company	54,105	53,219	16,252	15,693
Weighted average number of shares outstanding during the period (million)	1,652	1,654*	1,652	1,654*
<b>Basic and diluted earnings per share (Fils)</b>	<b>32.8</b>	<b>32.2</b>	<b>9.8</b>	<b>9.5</b>

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

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

The Group has capital commitments at 30 September 2022 amounting to BD 39.5 million (31 December 2021: BD 25.9 million).

**b) Guarantees**

- (i) As at 30 September 2022, the Group's banks have issued guarantees amounting to BD 6.4 million (31 December 2021: BD 8.9 million) and letters of credit amounting to BD 16.5 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 September 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 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.

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**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 at 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 September 2022 at fair value, by the level in the fair value hierarchy into which the fair value measurement is categorized:

		Fair value			
		Level 1	Level 2	Level 3	Total fair value
<b>30 September 2022</b>					
<b>Financial assets at fair value through profit and loss (FVTPL)</b>					
	Investments – equity securities	-	-	11	11
<b>Financial assets at fair value through OCI (FVOCI)</b>					
	Investments – debt and equity securities	8,668	99	5,354	14,121
<b>31 December 2021</b>					
<b>Financial assets at fair value through profit and loss (FVTPL)</b>					
	Investments – equity securities	-	-	11	11
<b>Financial assets at fair value through OCI (FVOCI)</b>					
	Investments – debt and equity securities	17,160	149	4,122	21,431

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8. *FAIR VALUE (continued)*

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

**9 RELATED PARTIES**

**a) Transactions with related parties**

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

**b) Transactions with key management personnel**

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

	<b>Nine months ended 30 September</b>	
	<b>2022 (reviewed)</b>	<b>2021 (reviewed)</b>
Short-term employee benefits	964	705
Post-employment benefits	11	5
<b>Total key management personnel compensation</b>	<b>975</b>	<b>710</b>
<b>Directors' remuneration (including sitting fees)</b>	<b>483</b>	<b>408</b>

**10 APPROPRIATIONS**

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

The board of directors approved on 25 July 2022 an interim dividend of 13.5 fils per share amounting to BD 22.18 million.

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**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 September 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.



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**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 nine months ended 30 September 2022 is as follows:

	For the nine months ended September 2022 (reviewed)							For the nine months period ended 30 September 2021 (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)	140,582	71,042	46,145	40,475	13	-	298,257	139,407	67,356	46,157	43,447	-	-	296,367
Inter-segment revenues	22	305	-	-	-	(327)	-	71	320	-	-	-	(391)	-
Profit/(loss)	35,059	4,912	14,674	6,721	(20)	-	61,346	36,311	3,869	12,930	6,452	(18)	-	59,544

  

	As at 30 September 2022 (reviewed)							As at 31 December 2021 (audited)						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
<b>Segment assets &amp; liabilities</b>														
Non-current assets	203,882	287,887	93,779	62,320	6,915	(11,102)	643,681	213,879	277,415	97,523	76,057	7,478	(10,799)	661,553
Current assets	246,991	56,650	69,585	29,280	1,186	(15,301)	388,391	239,651	48,042	59,172	35,058	183	(13,074)	369,032
<b>Total assets</b>	<b>450,873</b>	<b>344,537</b>	<b>163,364</b>	<b>91,600</b>	<b>8,101</b>	<b>(26,403)</b>	<b>1,032,072</b>	<b>453,530</b>	<b>325,457</b>	<b>156,695</b>	<b>111,115</b>	<b>7,661</b>	<b>(23,873)</b>	<b>1,030,585</b>
Non-current liabilities	181,432	149,370	13,571	11,782	-	(25,409)	330,746	173,908	117,317	14,580	13,719	-	(16,405)	303,119
Current liabilities	106,962	50,672	41,386	11,544	123	(26,936)	183,751	94,794	67,670	38,882	15,317	104	(19,984)	196,783
<b>Total liabilities</b>	<b>288,394</b>	<b>200,042</b>	<b>54,957</b>	<b>23,326</b>	<b>123</b>	<b>(52,345)</b>	<b>514,497</b>	<b>268,702</b>	<b>184,987</b>	<b>53,462</b>	<b>29,036</b>	<b>104</b>	<b>(36,389)</b>	<b>499,902</b>
<b>Net assets</b>	<b>162,479</b>	<b>144,495</b>	<b>108,407</b>	<b>68,274</b>	<b>7,978</b>	<b>25,942</b>	<b>517,575</b>	<b>184,828</b>	<b>140,470</b>	<b>103,233</b>	<b>82,079</b>	<b>7,557</b>	<b>12,516</b>	<b>530,683</b>