

BEYON B.S.C.

**Condensed consolidated
interim financial statements**

31 March 2025

BEYON B.S.C.

**Condensed Consolidated Interim Financial Statements
For the three months ended 31 March 2025**

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Financial Highlights (presented for information purposes only)
For the three months ended 31 March 2025

Three months ended 31 March	Unit	2025	2024	Variation %
Gross revenue	BD million	117.6	110.5	6.4%
Expenses	BD million	91.5	83.4	9.7%
Profit attributable to Beyon shareholders	BD million	18.1	18.8	(3.8%)
Return on net worth (Annualized)	%	12.5	13.3*	(6.0%)
Weighted average number of shares outstanding during the period	Million	1,653	1,653	0.0%
Basic and diluted earnings per share for the period	Fils	10.9	11.4	(4.4%)

**Based on actual figures for the year ended 31 December 2024*



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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 31 March 2025 condensed consolidated interim financial statements of BEYON B.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprise:

- the condensed consolidated statement of financial position as at 31 March 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2025;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025; 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 31 March 2025 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

30 April 2025

Condensed Consolidated Statement of Financial Position
As at 31 March 2025

BD'000

	Note	31 March 2025 (reviewed)	31 December 2024 (audited)
ASSETS			
Non-current assets			
Property and equipment		422,710	424,570
Right-of-use assets		57,544	58,163
Goodwill		164,268	163,420
Other intangible assets		165,071	167,385
Equity accounted investees		10,819	10,401
Deferred tax assets		5,794	5,682
Investments		61,172	68,131
Other non-current assets		12,267	12,139
Total non-current assets		899,645	909,891
Current assets			
Inventories		10,257	7,872
Trade receivables and other assets		180,172	164,865
Investments		26,911	29,321
Cash and bank balances	3	138,382	144,060
Total current assets		355,722	346,118
Total assets		1,255,367	1,256,009
LIABILITIES			
Non-current liabilities			
Trade payables and other liabilities		56,409	57,633
Lease liabilities		49,362	49,317
Loans and borrowings	4	278,880	273,272
Deferred tax liabilities		5,327	5,319
Total non-current liabilities		389,978	385,541
Current liabilities			
Trade payables and other liabilities		236,727	227,747
Lease liabilities		8,129	8,090
Loans and borrowings	4	25,519	12,798
Total current liabilities		270,375	248,635
Total liabilities		660,353	634,176
Net assets		595,014	621,833
EQUITY			
Share capital		166,320	166,320
Statutory reserve		91,173	91,173
General reserve		44,000	44,000
Other reserves		(6,692)	(521)
Treasury shares		(4,674)	(4,499)
Retained earnings		250,799	267,768
Total equity attributable to equity holders of the Company		540,926	564,241
Non-controlling interest		54,088	57,592
Total equity (Page 6 - 7)		595,014	621,833

The condensed consolidated interim financial statements were approved by the Board of Directors on 30 April 2025 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 three months ended 31 March 2025

BD'000

		Three months ended 31 March	
		2025 (reviewed)	2024 (reviewed)
	Note		
REVENUE	5	117,551	110,459
EXPENSES			
Network operating expenses		(42,051)	(40,555)
Staff costs		(17,196)	(14,105)
Depreciation and amortisation		(19,364)	(17,050)
Impairment loss on trade receivables and contract assets		(726)	(828)
Other operating expenses		(12,211)	(10,888)
Total expenses		(91,548)	(83,426)
Results from operating activities		26,003	27,033
Finance and related income		1,361	2,410
Finance and related expenses		(6,010)	(6,731)
Other income (net)		1,685	183
Share of profit from equity accounted investees (net)		417	368
Profit before taxation		23,456	23,263
Tax expense		(2,604)	(1,892)
Profit for the period		20,852	21,371
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		2,122	(301)
		2,122	(301)
Items that will never be reclassified to profit or loss:			
Investment fair value changes (equity securities)		(8,372)	21,203
		(8,372)	21,203
Other comprehensive income, net of tax		(6,250)	20,902
Total comprehensive income for the period		14,602	42,273
Profit for the period attributable to:			
Equity holders of the Company		18,077	18,794
Non-controlling interest		2,775	2,577
		20,852	21,371
Total comprehensive income for the period attributable to:			
Equity holders of the Company		11,827	39,696
Non-controlling interest		2,775	2,577
		14,602	42,273
Basic and diluted earnings per share (Fils)	6	10.9	11.4

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 three months ended 31 March 2025

BD'000

	Note	Three months ended	
		31 March	
		2025 (reviewed)	2024 (reviewed)
OPERATING ACTIVITIES			
Profit for the period		20,852	21,371
Adjustment for:			
Non-operating items, including tax		5,568	6,030
Share of profit from equity accounted investees (net)		(417)	(368)
Depreciation and amortisation		19,364	17,050
Impairment loss on trade receivables and contract assets		726	828
		46,093	44,911
Working capital changes:			
Increase in trade receivables and other assets		(12,829)	(13,763)
Increase in inventories		(2,358)	(2,244)
Decrease in trade payables and other liabilities		(11,153)	(5,978)
Cash generated from operating activities		19,753	22,926
Taxes paid		(2,785)	(2,758)
Payment to charities		(1,696)	(610)
Net cash from operating activities		15,272	19,558
INVESTING ACTIVITIES			
Acquisition of property, equipment and intangibles, net of disposal		(29,519)	(17,765)
Acquisition of business, net of cash acquired		-	(1,534)
Net cash from sale / (purchase) of other investments		10,631	(25,278)
Interest and investment income received		1,478	2,190
Net cash used in investing activities		(17,410)	(42,387)
FINANCING ACTIVITIES			
Dividend paid		(6,280)	(1)
Payment of lease liabilities		(2,909)	(3,154)
Interest paid		(5,848)	(4,970)
Borrowings drawn / (repaid), net		17,860	(2,068)
Acquisition of share- based payment treasury shares (net)		(461)	(335)
Sale of market making shares (net)		286	190
Net cash used in financing activities		2,648	(10,338)
Increase in cash and cash equivalents during the period		510	(33,167)
Cash and cash equivalents at 1 January		102,292	203,390
Cash and cash equivalents at 31 March	3	102,802	170,223

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 three months ended 31 March 2025

BD'000

2025	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 translatio n reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares					
At 1 January 2025		166,320	91,173	44,000	(21,712)	20,576	615	(3,563)	(936)	267,768	564,241	57,592	621,833	
Profit for the period		-	-	-	-	-	-	-	-	18,077	18,077	2,775	20,852	
Other comprehensive income														
Foreign currency translation differences		-	-	-	2,122	-	-	-	-	-	2,122	-	2,122	
Investment fair value changes		-	-	-	-	(8,372)	-	-	-	-	(8,372)	-	(8,372)	
Total other comprehensive income		-	-	-	2,122	(8,372)	-	-	-	-	(6,250)	-	(6,250)	
Total comprehensive income for the period		-	-	-	2,122	(8,372)	-	-	-	18,077	11,827	2,775	14,602	
Contributions and distributions														
Final dividends declared for 2024	10	-	-	-	-	-	-	-	-	(31,446)	(31,446)	-	(31,446)	
Donations approved for 2024	10	-	-	-	-	-	-	-	-	(3,600)	(3,600)	-	(3,600)	
Sale of market making shares		-	-	-	-	-	-	286	-	-	286	-	286	
Acquisition of treasury shares		-	-	-	-	-	-	-	(461)	-	(461)	-	(461)	
Equity-settled share-based payment		-	-	-	-	-	79	-	-	-	79	-	79	
Dividends to non-controlling interest		-	-	-	-	-	-	-	-	-	-	(6,279)	(6,279)	
Total contributions and distributions		-	-	-	-	-	79	286	(461)	(35,046)	(35,142)	(6,279)	(41,421)	
At 31 March 2025		166,320	91,173	44,000	(19,590)	12,204	694	(3,277)	(1,397)	250,799	540,926	54,088	595,014	

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 three months ended 31 March 2025 (continued)

BD'000

2024	Equity attributable to equity holders of the Company												
	Note	Share capital	Statutory reserve	General reserve	Other Reserves			Treasury shares		Retained earnings	Total	Non - controlling interest	Total equity
					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
Profit for the period		-	-	-	-	-	-	-	-	18,794	18,794	2,577	21,371
Other comprehensive income													
Foreign currency translation differences		-	-	-	(301)	-	-	-	-	-	(301)	-	(301)
Investment fair value changes		-	-	-	-	21,203	-	-	-	-	21,203	-	21,203
Total other comprehensive income		-	-	-	(301)	21,203	-	-	-	-	20,902	-	20,902
Total comprehensive income for the period		-	-	-	(301)	21,203	-	-	-	18,794	39,696	2,577	42,273
Contributions and distributions													
Final dividends declared for 2023	10	-	-	-	-	-	-	-	-	(42,195)	(42,195)	-	(42,195)
Donations approved for 2023	10	-	-	-	-	-	-	-	-	(3,868)	(3,868)	-	(3,868)
Sale of market making shares		-	-	-	-	-	-	190	-	-	190	-	190
Acquisition of treasury shares		-	-	-	-	-	-	-	(335)	-	(335)	-	(335)
Equity-settled share-based payment		-	-	-	-	-	54	-	-	-	54	-	54
Transfer to statutory reserve		-	2,668	-	-	-	-	-	-	(2,668)	-	-	-
Dividends to non – controlling interest		-	-	-	-	-	-	-	-	-	-	299	299
Total contributions and distributions		-	2,668	-	-	-	54	190	(335)	(48,731)	(46,154)	299	(45,855)
At 31 March 2024 (reviewed)		166,320	88,856	44,000	(20,562)	12,732	613	(3,409)	(1,164)	238,467	525,853	53,108	578,961

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 three months ended 31 March 2025

BD'000

1. Reporting entity

BEYON B.S.C. (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the three months period ended 31 March 2025 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 2024. 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 2024.

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 2024, 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 2025. 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 2024.

3. Cash and bank balances

Cash and bank balances include BD 35,580 (Dec 2024: BD 41,768) of short-term bank deposits with maturities exceeding three months, restricted cash and unclaimed dividends. These have been excluded from cash and cash equivalent in the condensed consolidated statement of cash flows.

Notes to the condensed consolidated interim financial statements
For the three months ended 31 March 2025

BD'000

4. Loans and borrowings

		2025	2024
a) Non-current			
Term financing facilities	<i>(i)</i>	278,880	273,272
		278,880	273,272
b) Current			
Term financing facilities	<i>(i)</i>	10,551	9,637
Import loan facilities	<i>(ii)</i>	4,787	3,161
Overdraft facilities	<i>(iii)</i>	10,181	-
		25,519	12,798
		304,399	286,070

(i) Term financing facilities include:

- a) Long term loan facility with a total available amount of BD 58.5 million (2024: BD 58.5 million) has been utilised by a Beyon entity to fund the company's working capital and license fees and is due to be settled by 2031. As at 31 March 2025, a total amount of BD 20.0 million (2024: BD 20.9 million) is outstanding against this facility out of which BD 3.5 million (2024: BD 3.5 million) is classified under current liabilities being due within the next 12 months;
- b) Long term loan facility with a total available amount of BD 8.0 million (2024: BD 8.0 million) has been obtained by a Beyon entity to fund the company's infrastructure and network requirements and is due to be settled by 2031. As at 31 March 2025, a total amount of BD 5.6 million (2024: BD 5.8 million) is outstanding against this facility out of which BD 1.0 million (2024: BD 1.0 million) is classified under current liabilities being due within the next 12 months;
- c) Long term loan facility with a total available amount of BD 12.8 million (2024: BD 12.8 million) has been obtained by a Beyon entity to fund the company's license fees and is due to be settled by 2031. As at 31 March 2025, a total amount of BD 10.9 million (2024: BD 10.8 million) is outstanding against this facility of which BD 1.8 million (2024: BD 1.8 million) is classified under current liabilities being due within the next 12 months;
- d) Long term loan facility with a total available amount of BD 8.0 million (2024: BD 8.0 million) has been obtained by a Beyon entity to fund the company's share in a joint venture and is due to be settled by 2031. As at 31 March 2025, a total amount of BD 6.8 million (2024: BD 6.8 million) is outstanding against this facility of which BD 1.1 million (2024: BD 1.1 million) is classified under current liabilities being due within the next 12 months;
- e) Long term loan facility with a total available amount of BD 6.0 million (2024: BD 6.0 million) has been obtained by a Beyon entity in 2022 to fund its capital expenditures. As at 31 March 2025, a total amount of BD 6.0 million (2024: BD 6.0 million) is outstanding against this facility of which BD 0.6 million (2024: BD 0.5 million) is classified under current liabilities being due within the next 12 months;
- f) Long term loan facility with a total available amount of BD 3.4 million (2024: BD 3.4 million) has been obtained by a Beyon entity in 2022 to fund its capital expenditures. As at 31 March 2025, a total amount of BD 3.4 million (2024: BD 3.4 million) is outstanding against this facility of which BD 0.4 million (2024: BD 0.3 million) is classified under current liabilities being due within the next 12 months;
- g) Long term loan facilities with a total available amount of BD 11.3 million (2024: BD 11.3 million) has been obtained by a Beyon entity in 2023 to fund its capital expenditures. As at 31 March 2025, a total amount of BD 7.2 million (2024: BD 7.2 million) is outstanding against this facility of which BD 1.2 million (2024: BD 0.6 million) is classified under current liabilities being due within the next 12 months;

**Notes to the condensed consolidated interim financial statements
For the three months ended 31 March 2025**

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4 Loans and borrowings (continued)

- h) Long term loan facility with a total available amount of BD 169.7 million (2024: BD 169.7), is obtained by a Beyon entity in 2024 to refinance its existing loan facility. As at 31 March 2025, the full amount is classified as non-current as it is due to be settled by one bullet payment in 2029,
- i) Long term loan facility with a total available amount of BD 75.4 million (2024: BD 75.4 million), of which BD 39.5 million is outstanding as of 31 March 2025 (2024: BD 39.5 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; and
- j) Long term loan facility with a total available amount of BD 14.5 million (2024: BD 14.1 million) has been obtained by a Beyon entity in 2024 to finance the investing activities. As at 31 March 2025, a total amount of BD 14.5 million (2024: BD 14.1 million) is outstanding against this facility of which BD 1.0 million (2024: BD 0.9 million) is classified under current liabilities being due within the next 12 months
- k) Long term loan facility with a total available amount of BD 8.9 million (2024: BD Nil), of which BD 7.2 million is outstanding as of 31 March 2025 (2024: BD Nil) was obtained by a Beyon entity for capital expenditure. As at 31 March 2025, BD 7.2 million is classified as non-current as the first instalment is due in 2027;

Unamortized cost represents the portion of loan origination fees, issuance costs and other related expenses that have not yet been expensed to the profit or loss accounts. These costs are capitalized and systematically amortized over the term of the loan. The unamortized cost as at 31 March 2025 is BD 1.3 million (2024: BD 1.4 million). The amounts above are before adjusting for these expenses.

(ii) Import loan facilities include:

- a) The import loan facility with a total available amount of BD 4.5 million (2024: 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 4.3 million (2024: BD 2.8 million) and is classified under current liabilities; and
- b) The import loan facility with a total available amount of BD 0.6 million (2024:BD 0.6 million) is obtained by a Beyon entity for working capital management 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 (2024: BD 0.4 million) and is classified under current liabilities.

(iii) Overdraft facilities include:

- a) Short term overdraft facilities with a total available amount of BD 10.7 million (2024: BD 10.7 million) and BD 4.5 million (2024: BD 4.5 million) has been obtained by a Beyon entity to fund the working capital requirements. As at 31 March 2025, a total amount of BD 10.2 million (2024: BD Nil) is outstanding against both the facilities and the full amount is classified under current liabilities being due within the next 12 months.

The above facilities carry interest rate at SOFR or relevant benchmarks plus margins. The interest rates ranged from 5.9% to 10.9% at 31 March 2025 (2024: 5.9% to 11.2%).

**Notes to the condensed consolidated interim financial statements
For the three months ended 31 March 2025**

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5. Revenue

a) Disaggregation of revenue

Revenue by major products

	Three months ended 31 March	
	2025 (reviewed)	2024 (reviewed)
Mobile telecommunication services	53,514	52,189
Data communication circuits	17,804	17,707
Fixed broadband	19,251	18,842
Fixed line telecommunication services	4,050	4,398
Wholesale services	9,291	7,736
Adjacent services	8,070	4,781
Other services	5,571	4,806
	117,551	110,459

Revenue by timing of recognition

	Three months ended 31 March	
	2025 (reviewed)	2024 (reviewed)
Products transferred at a point in time (Equipment revenue)	12,518	10,959
Products and services transferred over time (Revenue from provision of services)	105,033	99,500
	117,551	110,459

For a further breakdown 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.

	31 March 2025 (reviewed)	31 December 2024 (audited)
Receivables and contract assets (<i>included in trade receivables and other assets</i>)	133,729	128,855
Contract liabilities (<i>included in Trade payables and other liabilities</i>)	24,310	21,946

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

**Notes to the condensed consolidated interim financial statements
For the three months ended 31 March 2025**

BD'000

6. Earnings per share

	Three months ended 31 March	
	2025 (reviewed)	2024 (reviewed)
Profit for the period attributable to equity holders of the Company	18,077	18,794
Weighted average number of shares outstanding during the period (million)	1,653	1,653
Basic and diluted earnings per share (Fils)	10.90	11.4

7. Commitments and contingencies

a) Capital commitments

The Group has capital commitments as at 31 March 2025 amounting to BD 68.2 million (31 December 2024: BD 69.3 million).

b) Guarantees

- (i) As at 31 March 2025, the Group's banks have issued guarantees amounting to BD 13.3 million (31 December 2024 BD 10.4 million) and letters of credit amounting to BD 17.5 million (31 December 2024: BD 25.6 million).
- (ii) The Group has furnished a comfort letter for BD 1.9 million (31 December 2024: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

c) Other contingencies

In the normal course of business, legal cases are filed by staff and counterparties against the Group and 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 31 March 2025, the Group is defending these legal cases including penalties. Based on the advice of the Group's legal counsel including external legal counsel, as applicable, sufficient appropriate provisions have been recorded. No further detailed disclosures regarding contingent liabilities arising from any such claims are being made by the Group as the Directors believe that such disclosures may be prejudicial to the Group's legal position.

Notes to the condensed consolidated interim financial statements
For the three months ended 31 March 2025

BD'000

8. Fair value

The Group's financial assets and financial liabilities are measured at amortised cost except for certain investments, which are carried at fair value. Fair value is the price that would be received to sell 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 31 March 2025, 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	
31 March 2025									
Financial assets at fair value through profit and loss (FVTPL)									
Investments – equity securities					-	-	3,237	3,237	3,237
Financial assets at fair value through OCI (FVOCI)									
Investments – debt and equity securities					47,293	296	32,381	79,970	79,970
31 December 2024									
Financial assets at fair value through Profit and Loss (FVTPL)									
Investments – equity securities					-	-	1,896	1,896	1,896
Financial assets at fair value through OCI									
Investments – debt and equity securities					55,665	199	34,817	90,681	90,681

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8 Fair value (continued)

There were no transfers between levels 1, 2 and 3 during the period. The increase in level 3 investments is primarily due to the gain on fair valuation of investment amounting to BD 1.3 million. 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 receivables and other assets, trade payables and other liabilities, 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 of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel compensation is as follows:

	Three months ended 31 March	
	2025	2024
Short-term employee benefits	404	418
Long-term employee benefits	65	25
Post-employment benefits	54	43
Total key management personnel compensation	523	486
Director's remuneration (including sitting fees)	150	152

10. Appropriations

The shareholders of the Group in their meeting held on 26 March 2025 approved a final cash dividend of BD 31.4 million and donations of BD 3.6 million in respect of 2024, which were affected during the period.

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11. Global minimum tax

The Group is subject to the OECD Global Anti-Base Erosion Pillar Two Model Rules (“GloBE rules”) that apply to multinational enterprise (“MNE”) groups with total annual consolidated revenue exceeding euro 750 million in at least two of the four preceding fiscal years.

The Ultimate Parent Entity (“UPE”) of the MNE group is domiciled and operates in the Kingdom of Bahrain, which has issued and enacted Decree Law No. (11) of 2024 (“Bahrain DMTT Law”) on 1 September 2024 introducing a domestic minimum top-up tax (“DMTT”) of 15% on the taxable income of the Bahrain Constituent Entities (“CEs”) of the MNE group for fiscal years commencing on or after 1 January 2025.

The Group has assessed that it falls within the scope of the Bahrain DMTT Law from 1 January 2025. The Bahrain DMTT Law provides that the Filing CE, i.e. Beyon B.S.C., should pay top-up tax due by advance payments on quarterly arrears. However, the first advance payment for the transition year (i.e. first effective year; financial year 2025) is due on the second advance payment date, i.e. Q1 and Q2 payments to be combined and paid within 60 days from the end of Q2. Accordingly, there is a current tax impact and provisional amounts are accrued in the books for the quarter ending 31 March 2025. The Group has chosen the ‘Current year’ method to calculate advance tax payments towards National Bureau for Revenue (“NBR”). The Group operates in other jurisdictions where similar regulations (based on GloBE rules) have been enacted and is subject to a top-up tax in 2025 in relation to its operations in such countries. Accordingly, for quarter ended 31 March 2025, there is a current tax impact.

The additional top-up tax provision on the Group for the period ended 31 March 2025 based on management’s assessment is BD 0.5 million.

The Group continues to follow Pillar Two / GloBE legislative developments, as further countries where the Group operates have enacted/enact the Pillar Two / GloBE model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows. The Group is currently preparing for compliance with the Bahrain DMTT law and GloBE rules by monitoring developments, upgrading reporting systems, evaluating transfer pricing adjustments and aligning with domestic and international DMTT / GloBE regulations.

12. Acquisition of businesses

In 2024, the Group completed several acquisitions, including;

- a) Sure Guernsey Limited, a fully owned subsidiary of the Group, acquired 100% stake in both Guernsey Airtel Limited (“GAL”) and Jersey Airtel Limited (“JAL”) in the Channel Islands.
- b) Beyon Solutions, a fully owned subsidiary of the Group, acquired 70% stake in Beyon Digital Holding Ltd (Linkdot) in the United Arab Emirates.

As at 31 March 2025, the Purchase Price Allocation (PPA) for these acquisitions remains provisional. Management is working with external valuers and advisors in finalizing the following:

- a) Valuation of intangible assets, particularly customer relationships, software platforms and brand value.
- b) Assessment of contingent liabilities and fair value of net assets acquired.

No material adjustments have been posted in Q1 2025 pending the conclusion of the PPA process. As per IFRS 3 – Business Combinations, adjustments are allowed for a period of one year following the acquisition date if related to facts and circumstances that existed as of that date.

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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 UAE, Kuwait, Egypt, United Kingdom, Armenia, Saudi Arabia, Tunisia, Algeria and France operations. Segment information disclosed for the three months ended 31 March 2025 is as follows:

Segment revenue and profit	For the three months ended 31 March 2025 (reviewed)							For the three months ended 31 March 2024 (reviewed)						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Revenue (external customers)	53,146	26,899	17,053	15,798	4,655	-	117,551	53,063	26,138	17,079	14,179	-	-	110,459
Inter-segment revenues	210	319	-	-	-	(529)	-	170	271	-	-	-	(441)	-
Profit/ (loss)	10,864	2,207	5,352	2,510	(81)	-	20,852	11,521	1,890	4,997	2,972	(9)	-	21,371

Segment assets & liabilities	As at 31 March 2025 (reviewed)							As at 31 December 2024 (audited)						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Non-current assets	376,459	327,810	107,281	98,113	4,773	(14,791)	899,645	384,769	331,693	108,435	95,147	4,641	(14,794)	909,891
Current assets	183,667	54,646	84,347	20,349	22,108	(9,395)	355,722	185,482	42,288	88,559	19,347	20,279	(9,837)	346,118
Total assets	560,126	382,456	191,628	118,462	26,881	(24,186)	1,255,367	570,251	373,981	196,994	114,494	24,920	(24,631)	1,256,009
Non-current liabilities	215,609	126,158	26,688	27,947	465	(6,889)	389,978	214,035	122,008	27,667	27,319	485	(5,973)	385,541
Current liabilities	125,880	90,289	43,932	17,391	6,557	(13,674)	270,375	104,005	88,160	40,580	18,518	6,198	(8,826)	248,635
Total liabilities	341,489	216,447	70,620	45,338	7,022	(20,563)	660,353	318,040	210,168	68,247	45,837	6,683	(14,799)	634,176
Net assets	218,637	166,009	121,008	73,124	19,859	(3,623)	595,014	252,211	163,813	128,747	68,657	18,237	(9,832)	621,833

14. 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.