

**Bahrain Telecommunications
Company BSC**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

31 March 2021

Bahrain Telecommunications Company BSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2021**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)
for the three months ended 31 March 2021**

Three months ended 31 March	Unit	2021	2020	Variation %
Gross revenue	BD million	99.7	97.6	2%
Expenses	BD million	74.3	73.1	(1.6%)
Profit attributable to Batelco shareholders	BD million	19.7	18.5	6.4%
Return on net worth (Annualized)	%	15.7	15.1	4.2%
Weighted average number of shares outstanding during the period	million	1,656	1,657	(0.1%)
Basic and diluted earnings per share for the period	Fils	11.9	11.2	6.4%

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

The Board of Directors
Bahrain Telecommunications Company BSC
Manama, Kingdom of Bahrain

28 April 2021

Introduction

We have reviewed the accompanying 31 March 2021 condensed consolidated interim financial statements of Bahrain Telecommunications Company BSC (the "Company") and its subsidiaries (together the "Group"), which comprise:

- the condensed consolidated statement of financial position as at 31 March 2021;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2021;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2021;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2021; 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 2021 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

Due to the outbreak of the novel coronavirus (COVID-19) in early 2020, the Central Bank of Bahrain vide its circular OG/124/2020 dated 30 March 2020 had exempted all public shareholding companies and locally incorporated banks from preparation and publication of condensed consolidated interim financial information for the three-month period ended 31 March 2020. We have not reviewed the comparative information for the three-month period ended 31 March 2020 presented in this condensed consolidated interim financial information which has been extracted from management accounts of the Group and, we do not express any review conclusion on them.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

BD'000

	Note	31 March 2021 (reviewed)	31 December 2020 (audited)
ASSETS			
Non-current assets			
Property and equipment		282,510	282,651
Right-of-use assets		52,165	50,970
Goodwill		137,637	137,504
Other intangible assets		134,521	137,821
Equity accounted investees		7,548	4,709
Deferred tax assets		8,834	8,642
Investments		29,928	20,071
Other non-current assets		5,108	1,850
Total non-current assets		658,251	644,218
Current assets			
Inventories		9,209	8,255
Trade and other receivables		148,264	143,887
Investments		149	497
Cash and bank balances	3	200,221	195,299
Total current assets		357,843	347,938
Total assets		1,016,094	992,156
LIABILITIES			
Non-current liabilities			
Trade and other payables		20,170	19,832
Lease liabilities		44,424	43,852
Loans and borrowings	4	221,434	201,290
Deferred tax liabilities		8,777	8,896
Total non-current liabilities		294,805	273,870
Current liabilities			
Trade and other payables		195,578	176,680
Lease liabilities		8,525	7,185
Loans and borrowings	4	5,508	22,339
Total current liabilities		209,611	206,204
Total liabilities		504,416	480,074
Net assets		511,678	512,082
EQUITY			
Share capital		166,320	166,320
Statutory reserve		83,285	83,285
General reserve		44,000	44,000
Other reserves		(31,675)	(42,035)
Treasury shares		(4,008)	(2,792)
Retained earnings		212,411	224,390
Total equity attributable to equity holders of the Company		470,333	473,168
Non-controlling interest		41,345	38,914
Total equity (Page 6 - 7)		511,678	512,082

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 April 2021 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 COMPREHENSIVE INCOME
for the three months ended 31 March 2021

BD'000

		Three months ended	
		31 March	
	Note	2021 (reviewed)	2020 (unreviewed)
REVENUE	5	99,728	97,597
EXPENSES			
Network operating expenses		(32,671)	(32,979)
Staff costs		(12,804)	(13,144)
Depreciation, amortisation and tangible assets impairment		(18,319)	(17,074)
Impairment loss on trade receivables and contract assets		(620)	(1,134)
Other operating expenses		(9,870)	(8,763)
Total expenses		(74,284)	(73,094)
Results from operating activities		25,444	24,503
Finance and related income		1,075	1,871
Finance and related expense		(2,892)	(4,330)
Other income (net)		308	792
Share of loss from equity accounted investees (net)		(164)	(171)
Profit before taxation		23,771	22,665
Income tax expense		(1,619)	(1,336)
Profit for the period		22,152	21,329
Total other comprehensive income:			
Items that are or may be reclassified to profit or loss:			
Foreign currency translation differences – foreign operations		498	(5,618)
Investment fair value changes (debt securities)		42	(983)
		540	(6,601)
Items that will never be reclassified to profit or loss:			
Investment fair value changes (equity securities)		9,608	-
		9,608	-
Other comprehensive income, net of tax		10,148	(6,601)
Total comprehensive income for the period		32,300	14,728
Profit for the period attributable to:			
Equity holders of the Company		19,721	18,528
Non-controlling interest		2,431	2,801
		22,152	21,329
Total comprehensive income for the period attributable to:			
Equity holders of the Company		29,869	11,911
Non-controlling interest		2,431	2,817
		32,300	14,728
Basic and diluted earnings per share (Fils)	6	11.9	11.2

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 April 2021 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 three months ended 31 March 2021

BD'000

	Note	Three months ended 31 March	
		2021 (reviewed)	2020 (unreviewed)
OPERATING ACTIVITIES			
Profit for the period		22,152	21,329
Adjustment for:			
Non-operating items, including tax		3,128	3,003
Share of loss from equity accounted investees		164	171
Depreciation, amortisation and tangible assets impairment		18,319	17,074
Impairment loss on trade receivables and contract assets		620	1,134
		44,383	42,711
Working capital changes:			
Increase in trade and other receivables		(6,434)	(9,872)
(Increase) / decrease in inventories		(951)	1,081
Decrease in trade and other payables		(4,877)	(7,959)
Cash generated from operating activities		32,121	25,961
Taxes paid		(1,710)	(2,226)
Payment to charities		(75)	(77)
Net cash from operating activities		30,336	23,658
INVESTING ACTIVITIES			
Acquisition of property, equipment and intangibles, net of disposal		(16,847)	(21,098)
Net cash from (purchase) / sale of investments		(23,419)	73,646
Interest and investment income received		1,859	2,918
Net cash (used in) / from investing activities		(38,407)	55,466
FINANCING ACTIVITIES			
Dividend paid		(1)	(4)
Payment of lease liabilities		(2,245)	(2,650)
Interest paid		(1,737)	(974)
Borrowings drawn, net		3,263	3,063
Acquisition of share-based payment treasury shares		(165)	-
(Purchase) / sale of market making shares		(1,051)	77
Net cash used in financing activities		(1,936)	(488)
(Decrease) / increase in cash and cash equivalents during the period		(10,007)	78,636
Cash and cash equivalents at 1 January		143,457	86,410
Cash and cash equivalents at 31 March	3	133,450	165,046

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 three months ended 31 March 2021

BD'000

2021	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 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		-	-	-	-	-	-	-	-	19,721	19,721	2,431	22,152
Other comprehensive income													
Foreign currency translation differences		-	-	-	498	-	-	-	-	-	498	-	498
Investment fair value changes		-	-	-	-	9,650	-	-	-	-	9,650	-	9,650
Total other comprehensive income		-	-	-	498	9,650	-	-	-	-	10,148	-	10,148
Total comprehensive income for the period		-	-	-	498	9,650	-	-	-	19,721	29,869	2,431	32,300
Transaction with the owners of the Company													
Contributions and distributions													
Final dividends declared for 2020	10	-	-	-	-	-	-	-	-	(27,308)	(27,308)	-	(27,308)
Donations approved for 2020		-	-	-	-	-	-	-	-	(4,392)	(4,392)	-	(4,392)
Purchase of market making shares		-	-	-	-	-	-	(1,051)	-	-	(1,051)	-	(1,051)
Acquisition of treasury shares		-	-	-	-	-	-	-	(165)	-	(165)	-	(165)
Equity-settled share-based payment		-	-	-	-	-	212	-	-	-	212	-	212
Total contributions and distributions		-	-	-	-	-	212	(1,051)	(165)	(31,700)	(32,704)	-	(32,704)
At 31 March 2021 (reviewed)		166,320	83,285	44,000	(12,730)	(19,157)	212	(3,127)	(881)	212,411	470,333	41,345	511,678

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 three months ended 31 March 2021

BD'000

2020	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	Post- employment benefit actuarial reserve	Market making shares					
At 1 January 2020	166,320	83,160	44,000	(14,490)	(28,684)	(4,177)	(2,059)	229,040	473,110	40,265	513,375	
Profit for the period	-	-	-	-	-	-	-	18,528	18,528	2,801	21,329	
Other comprehensive income												
Foreign currency translation differences	-	-	-	(5,634)	-	-	-	-	(5,634)	16	(5,618)	
Investment fair value changes	-	-	-	-	(983)	-	-	-	(983)	-	(983)	
Total other comprehensive income	-	-	-	(5,634)	(983)	-	-	-	(6,617)	16	(6,601)	
Total comprehensive income for the period	-	-	-	(5,634)	(983)	-	-	18,528	11,911	2,817	14,728	
Transaction with the owners of the Company												
Contributions and distributions												
Final dividends declared for 2019	-	-	-	-	-	-	-	(28,994)	(28,994)	-	(28,994)	
Donations approved for 2019	-	-	-	-	-	-	-	(1,291)	(1,291)	-	(1,291)	
Purchase of market making shares	-	-	-	-	-	-	77	-	77	-	77	
Transfer to statutory reserve	-	125	-	-	-	-	-	(125)	-	-	-	
Non-controlling interest recognised on acquisition	-	-	-	-	-	-	-	-	-	397	397	
Total contributions and distributions	-	125	-	-	-	-	77	(30,410)	(30,208)	397	(29,811)	
At 31 March 2020 (unreviewed)	166,320	83,285	44,000	(20,124)	(29,667)	(4,177)	(1,982)	217,158	454,813	43,479	498,292	

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 three months ended 31 March 2021**

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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 three months period ended 31 March 2021 comprise the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group") and the Group's interests in an 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 2020. 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 2020.

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

Comparative information

Due to the outbreak of the novel coronavirus (COVID-19) in early 2020, the Central Bank of Bahrain had exempted all public shareholding companies and locally incorporated banks from preparation and publication of their condensed consolidated interim financial information for the three-month period ended 31 March 2020. Accordingly, the comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2020 and comparatives for the condensed consolidated statements of comprehensive income, cash flows and changes in equity have been extracted from the management accounts of the Group for the three month period ended 31 March 2020. Hence, the comparative information included in the current period statements of profit or loss and other comprehensive income, cash flows and changes in equity were not reviewed.

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 last audited consolidated financial statements as at and for the year ended 31 December 2020, 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 2021. 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.

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 2020 except for the effects of those identified in Note 11.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2021**

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3 CASH AND BANK BALANCES

Cash and bank balances include BD 66,771 (Dec 2020: BD 51,842) 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.

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 (2020: BD 58.5 million) (of which BD 24.4 million (2020: BD 24.4 million) outstanding as of 31 March 2021) which 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 2024. During February, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period and therefore no balance is classified as current. As at 31 December 2020, BD 9.7 million of the outstanding amount was classified under current liabilities being due within the next 12 months based on previous loan terms;
- (ii) Long term loan facility with a total available amount of BD 8.0 million (2020: BD 8.0 million) (of which BD 6.8 million (2020: BD 7.2 million) outstanding as of 31 March 2021) was 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 February, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period and therefore no balance is classified as current. As at 31 December 2020, BD 1.6 million of the outstanding amount was classified under current liabilities being due within the next 12 months based on previous loan terms;
- (iii) Long term loan facility with a total available amount of BD 12.8 million (2020: BD 12.8 million) (of which BD 12.7 million (2020: BD 12.7 million) outstanding as of 31 March 2021) was 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 February, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period and therefore no balance is classified as current. As at 31 December 2020, BD 2.1 million of the outstanding amount was classified under current liabilities being due within the next 12 months based on previous loan terms;
- (iv) Long term loan facility with a total available amount of BD 8.0 million (2020: 8.0 million) (of which BD 8.0 million (2020: BD 1.1 million) is outstanding as of 31 March 2021) was 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 February, the terms of this loan were renegotiated and accordingly it was extended for 10 years with a three-year grace period and therefore no balance is classified as current. As at 31 December 2020, BD 0.2 million of the outstanding amount was classified under current liabilities being due within the next 12 months based on previous loan terms;
- (v) Long term loan facility with a total available amount of BD 169.7 million (2020: 169.7 million) (of which BD 169.7 (2020: 169.7 million) is outstanding as of 31 March 2021) 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; and
- (vi) The overdraft facilities obtained by a Group company to support its working capital needs. The interest rates on these facilities range from 5.00% to 5.35% p.a. and the amount drawn at the balance sheet date amounted to BD 5.5 million (2020: BD 8.7 million). The undrawn overdraft limits as at 31 March 2021 amounted to BD 9.6 million (2020: BD 6.4 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2021

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5 REVENUE**a) Disaggregation of revenue****Revenue by major products**

	Three months ended	
	31 March	
	2021	2020
	(reviewed)	(not reviewed)
Mobile telecommunication services	46,192	48,054
Data communication circuits	17,975	18,200
Fixed broadband	19,323	16,212
Fixed line telecommunication services	5,605	5,719
Wholesale services	4,877	4,503
Others	5,756	4,909
	99,728	97,597

Revenue by timing of recognition

	Three months ended	
	31 March	
	2021	2020
	(reviewed)	(not reviewed)
Products transferred at a point in time (Equipment revenue)	8,575	6,656
Products and services transferred over time (Revenue from provision of services)	91,153	90,941
	99,728	97,597

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.

	31 March	31 December
	2021	2020
	(reviewed)	(audited)
Receivables and contract assets <i>(included in Trade and other receivables)</i>	95,915	91,829
Contract liabilities <i>(included in Trade and other payables)</i>	3,268	3,298

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 2021

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6 EARNINGS PER SHARE

	Three months ended 31 March	
	2021 (reviewed)	2020 (not reviewed)
Profit for the period attributable to equity holders of the Company	19,721	18,528
Weighted average number of shares outstanding during the period (million)	1,656	1,657
Basic earnings per share (Fils)	11.9	11.2

7 SIGNIFICANT COMMITMENTS AND CONTINGENCIES**a) Commitments**

The Group has capital commitments at 31 March 2021 amounting to BD 35 million (31 December 2020: BD 53.7 million).

b) Contingent liabilities

The Group is involved in certain matters relating to notifications from regulatory authorities and government tax departments of claims and other notices but does not expect any exposure from these matters (Dec 2020: Nil). The Group is of the view that there are no legitimate grounds for such claims and notices, and all necessary legal steps to respond to and defend its position are being taken.

c) Guarantees

- (i) As at 31 March 2021, the Group's banks have issued guarantees, amounting to BD 9.5 million (31 December 2020: BD 12.5 million) and letters of credit amounting to BD 4 million (31 December 2020: BD 5.3 million).
- (ii) The Group has furnished a comfort letter for BD 1.9 million (31 December 2020: BD 1.9 million) to Telecommunications Regulatory Commission, Jordan for providing a financial guarantee for the subsidiary companies operating in Jordan.

8 FAIR VALUE

The Group's financial assets and financial liabilities are measured at amortised cost except for certain FVTOCI 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:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2021

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8. FAIR VALUE (continued)

- (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 2021, 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 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	13,419	7,362	2,289	23,070	23,070

	Fair value				Total carrying amount
	Level 1	Level 2	Level 3	Total fair value	
31 December 2020					
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	-	7,697	5,863	13,560	13,560

There was transfer from level 3 to level 1 for equity securities during the period. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2021

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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.

	Three months ended 31 March	
	2021 (reviewed)	2020 (not reviewed)
Short-term employee benefits	286	399
Post-employment benefits	7	8
Total key management personnel compensation	293	407
Directors remuneration (including sitting fees)	128	144

10 APPROPRIATIONS

The shareholders of the Company in their meeting held on 25 March 2021 approved a cash dividend of BD 27.3 million and donations of BD 4.4 million in respect of 2020, which were effected during the quarter.

11 SIGNIFICANT EVENT - COVID-19

During 2020, an outbreak of the novel Coronavirus (COVID-19) rapidly evolved across the region and globally, which continued in 2021. As a result, governments and authorities, including the Government of the Kingdom of Bahrain, have implemented several measures to contain the spread of the virus such as suspension of flights from/to various countries, other travel restrictions and quarantines and have also announced various support measures to counter adverse economic implications. These measures and policies have caused significant disruption in the operation of many companies around the globe. COVID-19 continues to create significant uncertainties in the global economic environment. The Group operates in a sector which has not been heavily affected by the virus.

The Board of Directors has considered the potential impacts of the current economic downturn and uncertainty involved in the determination of the reported amounts of the Group's financial and non-financial assets and liabilities in these financial statements, and they are considered to represent management's best assessment based on available and observable information. Based on this assessment, no material impact on the Group's financial statements has been noted to date.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2021**

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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 three months ended 31 March 2021

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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 three months ended 31 March 2021 is as follows:

	For the three months ended March 2021 (reviewed)						For the three months period ended 31 March 2020 (not reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment revenue and profit														
Revenue (external customers)	46,974	22,093	16,140	14,521	-	-	99,728	45,122	21,308	17,800	13,367	-	-	97,597
Inter-segment revenues	21	107	-	-	-	(128)	-	20	103	-	-	-	(123)	-
Profit/(loss)	14,219	746	5,037	2,151	(2)	1	22,152	14,258	(90)	5,856	1,327	(3)	(19)	21,329

	As at 31 March 2021 (reviewed)						As at 31 December 2020 (audited)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment assets & liabilities														
Non-current assets	206,589	274,544	97,222	88,518	9,829	(18,451)	658,251	196,439	266,305	99,207	90,803	9,915	(18,451)	644,218
Current assets	260,503	36,062	46,458	25,385	185	(10,750)	357,843	250,943	35,980	42,410	29,183	174	(10,752)	347,938
Total assets	467,092	310,606	143,680	113,903	10,014	(29,201)	1,016,094	447,382	302,285	141,617	119,986	10,089	(29,203)	992,156
Current liabilities	119,652	63,833	27,733	13,798	87	(15,492)	209,611	96,248	80,174	30,665	14,178	75	(15,136)	206,204
Non-current liabilities	176,725	111,147	11,878	15,420	-	(20,365)	294,805	178,677	87,183	11,920	16,455	-	(20,365)	273,870
Total liabilities	296,377	174,980	39,611	29,218	87	(35,857)	504,416	274,925	167,357	42,585	30,633	75	(35,501)	480,074

Supplementary Information – Not reviewed

SUPPLEMENTARY DISCLOSURES RELATED TO THE IMPACT OF COVID-19 *(not reviewed)*

On 11 March 2020, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. This has resulted in a global economic slowdown with uncertainties in the economic environment. This includes disruption to capital markets, deteriorating credit markets and liquidity concerns. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The Group is actively monitoring the COVID-19 situation, and in response to this outbreak, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance. Based on above, the management is of the view that the Company will continue as a going concern entity for the next 12 months from the date of these condensed interim financial statements.

The pandemic has had some financial impact to the Group with relation to specific revenue streams and expense items. Key impact on the results of the Group are due to reduction in roaming revenue by BD 2.4M quarter on quarter.

The above supplementary information is provided to comply with the CBB circular number OG/259/2020 (Reporting of Financial Impact of COVID-19), dated 14 July 2020. This information should not be considered as an indication of the results of the entire year or relied upon for any other purposes. Since the situation of COVID-19 is uncertain and is still evolving, the above impact is as of the date of preparation of this information. Circumstances may change which may result in this information to be out-of-date. In addition, this information does not represent a full comprehensive assessment of COVID-19 impact on the Group. This information has not been subject to a formal review by external auditors.