

**Bahrain Telecommunications
Company BSC**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

31 March 2022

Bahrain Telecommunications Company BSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2022**

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**FINANCIAL HIGHLIGHTS (presented for information purposes only)
for the three months ended 31 March 2022**

Three months ended 31 March	Unit	2022	2021	Variation %
Gross revenue	BD million	98.5	99.7	(1.3%)
Expenses	BD million	76.4	74.3	(2.8%)
Profit attributable to Batelco shareholders	BD million	17.9	19.7	(9.2%)
Return on net worth (Annualized)	%	14.1	13.7	2.9%
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	10.8	11.9	(9.2%)

To the Shareholders of
Bahrain Telecommunications Company BSC
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 31 March 2022 condensed consolidated interim financial information of Bahrain Telecommunications Company BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2022;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2022;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2022; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 information 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 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

BD'000

	Note	31 March 2022 (reviewed)	31 December 2021 (audited)
ASSETS			
Non-current assets			
Property and equipment		272,884	300,494
Right-of-use assets		57,569	55,170
Goodwill		136,538	137,259
Other intangible assets		141,123	125,882
Equity accounted investees		7,013	7,142
Deferred tax assets		7,671	7,429
Investments		20,486	23,078
Other non-current assets		5,699	5,099
Total non-current assets		648,983	661,553
Current assets			
Inventories		9,354	8,784
Trade and other receivables		138,817	135,893
Investments		3,426	3,611
Cash and bank balances	3	235,403	220,744
Total current assets		387,000	369,032
Total assets		1,035,983	1,030,585
LIABILITIES			
Non-current liabilities			
Trade and other payables		27,280	26,740
Lease liabilities		47,692	45,527
Loans and borrowings	4	222,824	223,151
Deferred tax liabilities		7,315	7,701
Total non-current liabilities		305,111	303,119
Current liabilities			
Trade and other payables		205,203	185,015
Lease liabilities		8,098	8,046
Loans and borrowings	4	4,339	3,722
Total current liabilities		217,640	196,783
Total liabilities		522,751	499,902
Net assets		513,232	530,683
EQUITY			
Share capital		166,320	166,320
Statutory reserve		84,059	83,285
General reserve		44,001	44,001
Other reserves		(40,610)	(35,668)
Treasury shares		(4,748)	(4,578)
Retained earnings		224,275	236,236
Total equity attributable to equity holders of the Company		473,297	489,596
Non-controlling interest		39,935	41,087
Total equity (Page 6 - 7)		513,232	530,683

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 April 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 three months ended 31 March 2022

BD'000

		Three months ended	
		31 March	
	Note	2022 (reviewed)	2021 (reviewed)
REVENUE	5	98,473	99,728
EXPENSES			
Network operating expenses		(31,175)	(32,671)
Staff costs		(13,841)	(12,804)
Depreciation, amortisation and tangible assets impairment		(18,516)	(18,319)
Impairment loss on trade receivables and contract assets		(748)	(620)
Other operating expenses		(12,077)	(9,870)
Total expenses		(76,357)	(74,284)
Results from operating activities		22,116	25,444
Finance and related income		1,087	1,075
Finance and related expense		(3,148)	(2,892)
Other income (net)		2,549	308
Share of loss from equity accounted investees (net)		(128)	(164)
Profit before taxation		22,476	23,771
Income tax expense		(2,040)	(1,619)
Profit for the period		20,436	22,152
Other comprehensive income:			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign currency translation differences – foreign operations		(2,412)	498
Investment fair value changes (debt securities)		(74)	42
		(2,486)	540
<i>Items that will never be reclassified to profit or loss:</i>			
Investment fair value changes (equity securities)		(2,529)	9,608
		(2,529)	9,608
Total other comprehensive income, net of tax		(5,015)	10,148
Total comprehensive income for the period		15,421	32,300
Profit for the period attributable to:			
Equity holders of the Company		17,903	19,721
Non-controlling interest		2,533	2,431
		20,436	22,152
Total comprehensive income for the period attributable to:			
Equity holders of the Company		12,888	29,869
Non-controlling interest		2,533	2,431
		15,421	32,300
Basic and diluted earnings per share (Fils)	6	10.8	11.9

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 April 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 three months ended 31 March 2022

BD'000

	Note	Three months ended 31 March	
		2022 (reviewed)	2021 (reviewed)
OPERATING ACTIVITIES			
Profit for the period		20,436	22,152
Adjustment for:			
Non-operating items, including tax		1,552	3,128
Share of loss from equity accounted investees		128	164
Depreciation, amortisation and tangible assets impairment		18,516	18,319
Impairment loss on trade receivables and contract assets		748	620
		41,380	44,383
Working capital changes:			
Decrease / (increase) in trade and other receivables		694	(6,434)
Increase in inventories		(602)	(951)
Decrease in trade and other payables		(6,945)	(4,877)
Cash generated from operating activities		34,527	32,121
Taxes paid		(2,200)	(1,710)
Payment to charities		(183)	(75)
Net cash from operating activities		32,144	30,336
INVESTING ACTIVITIES			
Acquisition of property, equipment and intangibles, net of disposal		(14,925)	(16,847)
Net cash from sale / (purchase) of investments		11,214	(23,419)
Interest and investment income received		2,239	1,859
Net cash used in investing activities		(1,472)	(38,407)
FINANCING ACTIVITIES			
Dividend paid		(5,343)	(1)
Payment of lease liabilities		(3,008)	(2,245)
Interest paid		(2,110)	(1,737)
Borrowings drawn, net		258	3,263
Acquisition of share-based payment treasury shares		-	(165)
Market making share transactions, net		(170)	(1,051)
Net cash used in financing activities		(10,373)	(1,936)
Increase / (decrease) in cash and cash equivalents during the period		20,299	(10,007)
Cash and cash equivalents at 1 January		138,727	143,457
Cash and cash equivalents at 31 March	3	159,026	133,450

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 2022

BD'000

2022	Equity attributable to equity holders of the Company											Non - controlling interest	Total equity
	Note	Share capital	Statutory reserve	General reserve	Other Reserves			Treasury shares		Retained earnings	Total		
					Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares				
At 1 January 2022		166,320	83,285	44,001	(14,873)	(21,328)	533	(3,697)	(881)	236,236	489,596	41,087	530,683
Profit for the period		-	-	-	-	-	-	-	-	17,903	17,903	2,533	20,436
Other comprehensive income													
Foreign currency translation differences		-	-	-	(2,412)	-	-	-	-	-	(2,412)	-	(2,412)
Investment fair value changes						(2,603)					(2,603)		(2,603)
Total other comprehensive income					(2,412)	(2,603)	-	-	-	-	(5,015)	-	(5,015)
Total comprehensive income for the period					(2,412)	(2,603)	-	-	-	17,903	12,888	2,533	15,421
Transaction with the owners of the Company													
Contributions and distributions													
Final dividends declared for 2021	10	-	-	-	-	-	-	-	-	(27,443)	(27,443)	-	(27,443)
Donations approved for 2021	10	-	-	-	-	-	-	-	-	(1,647)	(1,647)	-	(1,647)
Purchase of market making shares		-	-	-	-	-	-	(170)	-	-	(170)	-	(170)
Equity-settled share-based payment		-	-	-	-	-	73	-	-	-	73	-	73
Transfer to statutory reserve		-	774	-	-	-	-	-	-	(774)	-	-	-
Dividends to non – controlling interest		-	-	-	-	-	-	-	-	-	-	(3,685)	(3,685)
Total contributions and distributions		-	774	-	-	-	73	(170)	-	(29,864)	(29,187)	(3,685)	(32,872)
At 31 March 2022 (reviewed)		166,320	84,059	44,001	(17,285)	(23,931)	606	(3,867)	(881)	224,275	473,297	39,935	513,232

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 2022

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		-	-	-	-	-	-	-	-	(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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 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 three months period ended 31 March 2022 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 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021.

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

b) Significant accounting policies

The accounting policies and risk management framework applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the 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.

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 Group's audited 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 76,377 (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 three months ended 31 March 2022**

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4 LOANS AND BORROWINGS

Terms financing and overdraft facilities from banks include:

- (i) Long term loan facility with a total available amount of BD 58.5 million (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 31 March 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 31 March 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 31 March 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 31 March 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 31 March 2022, a total amount of BD 2.6 million (2021: BD 2.9 million) is outstanding against this facility of which BD 1.2 million (2021: BD 1.2 million) is classified under current liabilities being due within the next 12 months.
- (vi) The import loan facility with a total available amount of BD 4.5 million (2021: BD 4.5 million) is obtained by a Group company to support its capital expenditure requirements. The interest rates on this facility is at the rate of 3 months LIBOR + 4.75% p.a. and is due to be settled within 365 days for the amounts drawn down. The amount drawn at the balance sheet date amounted to BD 3.1 million (2021: BD 2.5 million) and is classified under current liabilities.
- (vii) Long term loan facility with a total available amount of BD 169.7 million (2021: 169.7 million), of which BD 169.7 million is outstanding as of 31 March 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 three months ended 31 March 2022

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5 REVENUE**a) Disaggregation of revenue**

Revenue by major products	Three months ended 31 March	
	2022 (reviewed)	2021 (reviewed)
Mobile telecommunication services	46,694	46,192
Data communication circuits	16,170	17,975
Fixed broadband	19,228	19,323
Fixed line telecommunication services	5,093	5,605
Wholesale services	5,951	4,877
Others	5,337	5,756
	98,473	99,728

Revenue by timing of recognition	Three months ended 31 March	
	2022 (reviewed)	2021 (reviewed)
Products transferred at a point in time (Equipment revenue)	7,485	8,575
Products and services transferred over time (Revenue from provision of services)	90,988	91,153
	98,473	99,728

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 2022 (reviewed)	31 December 2021 (audited)
Receivables and contract assets (included in trade and other receivables)	107,557	111,848
Contract liabilities	7,031	6,661

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2022

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6 EARNINGS PER SHARE

	Three months ended 31 March	
	2022 (reviewed)	2021 (reviewed)
Profit for the period attributable to equity holders of the Company	17,903	19,721
Weighted average number of shares outstanding during the period (million)	1,652	1,654
Basic earnings per share (Fils)	10.8	11.9

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

The Group has capital commitments at 31 March 2022 amounting to BD 21.5 million (31 December 2021: BD 25.9 million).

b) Guarantees

(i) As at 31 March 2022, the Group's banks have issued guarantees, amounting to BD 6.3 million (31 December 2021: BD 8.9 million) and letters of credit amounting to BD 9.3 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% (2020: 75%) of the loan interest. At 31 March 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2022

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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 an 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 2022, by the level in the fair value hierarchy into which the fair value measurement is categorized:

		Fair value				Total carrying amount
		Level 1	Level 2	Level 3	Total fair value	
31 March 2022						
Financial assets at fair value through profit and loss (FVTPL)						
	Investments – equity securities	-	-	11	11	11
Financial assets at fair value through OCI (FVOCI)						
	Investments – debt and equity securities	14,556	-	4,089	18,655	18,655
31 December 2021						
Financial assets at fair value through profit and loss (FVTPL)						
	Investments – equity securities	-	-	11	11	11
Financial assets at fair value through OCI (FVOCI)						
	Investments – debt and equity securities	17,160	149	4,122	21,431	21,431

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2022

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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.

	Three months ended 31 March	
	2022 (reviewed)	2021 (reviewed)
Short-term employee benefits	333	286
Post-employment benefits	8	7
Total key management personnel compensation	341	293
Directors remuneration (including sitting fees)	161	128

10 APPROPRIATIONS

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

11 SIGNIFICANT EVENT - COVID-19 AND OTHER MATERIAL SUBSEQUENT EVENT

Significant event – COVID-19

During 2020, an outbreak of the novel Coronavirus (COVID-19) rapidly evolved across the world. 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 quarantine 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 has also brought about significant uncertainties in the global economic environment. The Group operates in a sector which has not been heavily affected by the virus.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2022**

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11. SIGNIFICANT EVENT – COVID-19 AND OTHER MATERIAL SUBSEQUENT EVENT (continued)

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.

Other material subsequent 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 31 March 2022 the Group does not have a material impact of this conflict.

12 COMPARATIVES

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2022

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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 2022 is as follows:

For the three months period ended 31 March 2022 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment revenue and profit							
Revenue (external customers)	45,547	23,259	15,677	13,990	-	-	98,473
Inter-segment revenues	18	104	-	-	-	(122)	-
Profit/(loss)	11,911	980	5,220	2,328	(3)		20,436

For the three months period ended 31 March 2021 (reviewed)							
	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
Inter-segment revenues	21	107	-	-	-	(128)	-
Profit/(loss)	14,219	746	5,037	2,151	(2)	1	22,152

As at 31 March 2022 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Segment assets & liabilities							
Non-current assets	208,632	273,757	95,998	74,247	7,254	(10,905)	648,983
Current assets	247,248	54,891	62,270	36,371	171	(13,951)	387,000
Total assets	455,880	328,648	158,268	110,618	7,425	(24,856)	1,035,983
Non-current liabilities	175,888	119,004	14,357	14,469	-	(18,607)	305,111
Current liabilities	115,127	68,779	41,634	14,022	101	(22,023)	217,640
Total liabilities	291,015	187,783	55,991	28,491	101	(40,630)	522,751
Net assets	164,865	140,865	102,277	82,127	7,324	15,774	513,232

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

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 limited adverse material financial impact to the Group in comparison to prior year.

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.