

**Bahrain Telecommunications  
Company BSC**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**30 September 2021**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2021**

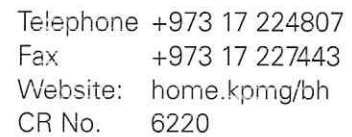
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**FINANCIAL HIGHLIGHTS (presented for information purposes only)**  
**for the nine months ended 30 September 2021**

Nine months ended 30 September	Unit	2021	2020	Variation %
Gross revenue	BD million	296.4	285.7	4%
Expenses	BD million	225.3	218.1	(3.3%)
Profit attributable to Batelco shareholders	BD million	53.2	50.3	5.8%
Return on net worth (Annualized)	%	14.6	12.0*	21.7%
Weighted average number of shares outstanding during the period	Million	1,655	1,657	(0.1%)
Basic and diluted earnings per share for the period	Fils	32.2	30.3	6.3%

\*Based on actual profit for the year ended 31 December 2020.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2021**

BD'000

	Note	30 September 2021 (reviewed)	31 December 2020 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		281,693	282,651
Right-of-use assets		53,630	50,970
Goodwill		137,334	137,504
Other intangible assets		128,341	137,821
Equity accounted investees		7,190	4,709
Deferred tax assets		9,128	8,642
Investments		27,004	20,071
Other non-current assets		5,236	1,850
<b>Total non-current assets</b>		<b>649,556</b>	<b>644,218</b>
<b>Current assets</b>			
Inventories		7,704	8,255
Trade and other receivables		145,673	143,887
Investments		100	497
Cash and bank balances	3	196,066	195,299
<b>Total current assets</b>		<b>349,543</b>	<b>347,938</b>
<b>Total assets</b>		<b>999,099</b>	<b>992,156</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables		25,777	19,832
Lease liabilities		46,054	43,852
Loans and borrowings	4	223,449	201,290
Deferred tax liabilities		8,138	8,896
<b>Total non-current liabilities</b>		<b>303,418</b>	<b>273,870</b>
<b>Current liabilities</b>			
Trade and other payables		169,246	176,680
Lease liabilities		7,435	7,185
Loans and borrowings	4	1,573	22,339
<b>Total current liabilities</b>		<b>178,254</b>	<b>206,204</b>
<b>Total liabilities</b>		<b>481,672</b>	<b>480,074</b>
<b>Net assets</b>		<b>517,427</b>	<b>512,082</b>
<b>EQUITY</b>			
Share capital		166,320	166,320
Statutory reserve		83,285	83,285
General reserve		44,001	44,000
Other reserves		(34,228)	(42,035)
Treasury shares		(4,307)	(2,792)
Retained earnings		223,564	224,390
<b>Total equity attributable to equity holders of the Company</b>		<b>478,635</b>	<b>473,168</b>
Non-controlling interest		38,792	38,914
<b>Total equity (Pages 6 - 7)</b>		<b>517,427</b>	<b>512,082</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 31 October 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 14 are integral part of the condensed consolidated interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the nine months ended 30 September 2021**

BD'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
<b>REVENUE</b>	5	<b>296,367</b>	<b>285,669</b>	<b>98,204</b>	<b>95,873</b>
<b>EXPENSES</b>					
Network operating expenses		(95,097)	(98,082)	(31,066)	(33,688)
Staff costs		(39,490)	(36,106)	(13,336)	(13,306)
Depreciation, amortisation and tangible assets impairment		(54,954)	(52,472)	(18,804)	(18,081)
Impairment loss on trade receivables and contract assets		(2,490)	(3,642)	(816)	(810)
Other operating expenses		(33,303)	(27,771)	(12,423)	(9,830)
<b>Total expenses</b>		<b>(225,334)</b>	<b>(218,073)</b>	<b>(76,445)</b>	<b>(75,715)</b>
<b>Results from operating activities</b>		<b>71,033</b>	<b>67,596</b>	<b>21,759</b>	<b>20,158</b>
Finance and related income		3,093	4,275	966	1,063
Finance and related expenses		(8,676)	(11,733)	(2,907)	(3,159)
Other income/ (expense) (net)		684	401	59	(145)
Share of loss from equity accounted investees (net)		(525)	(550)	(204)	(152)
<b>Profit before taxation</b>		<b>65,609</b>	<b>59,989</b>	<b>19,673</b>	<b>17,765</b>
Income tax expense		(6,065)	(3,915)	(1,932)	(1,669)
<b>Profit for the period</b>		<b>59,544</b>	<b>56,074</b>	<b>17,741</b>	<b>16,096</b>
<b>Total other comprehensive income:</b>					
<i>Items that are or may be reclassified to profit or loss:</i>					
Foreign currency translation differences – foreign operations		(757)	(2,680)	(1,466)	3,330
Investment fair value changes (debt securities)		(19)	(218)	(76)	43
		<b>(776)</b>	<b>(2,898)</b>	<b>(1,542)</b>	<b>3,373</b>
<i>Items that will never be reclassified to profit or loss:</i>					
Remeasurement of defined benefit asset including related tax		-	(4,414)	-	-
Investment fair value changes (equity securities)		8,124	-	(760)	-
		<b>8,124</b>	<b>(4,414)</b>	<b>(760)</b>	<b>-</b>
<b>Other comprehensive income, net of tax</b>		<b>7,348</b>	<b>(7,312)</b>	<b>(2,302)</b>	<b>3,373</b>
<b>Total comprehensive income for the period</b>		<b>66,892</b>	<b>48,762</b>	<b>15,439</b>	<b>19,469</b>
<b>Profit for the period attributable to:</b>					
Equity holders of the Company		53,219	50,278	15,693	14,410
Non-controlling interest		6,325	5,796	2,048	1,686
		<b>59,544</b>	<b>56,074</b>	<b>17,741</b>	<b>16,096</b>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		60,567	42,962	13,391	17,780
Non-controlling interest		6,325	5,800	2,048	1,689
		<b>66,892</b>	<b>48,762</b>	<b>15,439</b>	<b>19,469</b>
<b>Basic and diluted earnings per share (Fils)</b>	6	<b>32.2</b>	<b>30.3</b>	<b>9.5</b>	<b>8.7</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 31 October 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 14 are integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2021**

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Note	Nine months ended 30 September	
	2021 (reviewed)	2020 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	59,544	56,074
<b>Adjustment for:</b>		
Non-operating items, including tax	10,964	10,972
Share of loss from equity accounted investees	525	550
Depreciation, amortisation and tangible assets impairment	54,954	52,472
Impairment loss on trade receivables and contract assets	2,490	3,642
	128,477	123,710
<b>Working capital changes:</b>		
Increase in trade and other receivables	(4,295)	(16,500)
Decrease in inventories	545	236
Increase in trade and other payables	2,315	2,599
<b>Cash generated from operating activities</b>	<b>127,042</b>	<b>110,045</b>
Taxes paid	(5,569)	(4,945)
Payment to charities	(531)	(4,218)
<b>Net cash from operating activities</b>	<b>120,942</b>	<b>100,882</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and intangibles, net of disposal	(46,621)	(45,470)
Net cash (for purchase)/ from sale of other investments	(49,423)	1,757
Interest and investment income received	3,332	6,897
<b>Net cash used in investing activities</b>	<b>(92,712)</b>	<b>(36,816)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(56,103)	(56,487)
Payment of lease liabilities	(8,942)	(6,328)
Interest paid	(4,820)	(10,789)
Borrowings drawn/ (repaid), net	1,364	(8,705)
Acquisition of share-based payment treasury shares	(164)	-
(Purchase)/ sale of market making shares	(1,351)	1,183
<b>Net cash used in financing activities</b>	<b>(70,016)</b>	<b>(81,126)</b>
<b>Decrease in cash and cash equivalents during the period</b>	<b>(41,786)</b>	<b>(17,060)</b>
Cash and cash equivalents at 1 January	143,457	86,410
<b>Cash and cash equivalents at 30 September</b>	<b>101,671</b>	<b>69,350</b>

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 nine months ended 30 September 2021

BD'000

2021	Equity attributable to equity holders of the Company									
	Share capital	Statutory reserve	General reserve	Other Reserves			Treasury shares			Non - controlling Interest
				Foreign currency translation reserve	Investment fair value reserve	Share based payment reserve	Market making shares	Share based payment treasury shares	Retained earnings	
At 1 January 2021	166,320	83,285	44,000	(13,228)	(28,807)	-	(2,076)	(716)	224,390	38,914
<b>Profit for the period</b>									473,168	512,082
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	-	-	-	-	-	53,219	6,325
Investment fair value changes	-	-	-	(757)	-	-	-	-	(757)	(757)
	-	-	-	-	8,105	-	-	-	8,105	-
<b>Total other comprehensive income</b>									7,348	-
<b>Total comprehensive income for the period</b>									53,219	6,325
	-	-	-	(757)	8,105	-	-	-	60,567	66,892
<b>Contributions and distributions</b>										
Final dividends declared for 2020	-	-	-	-	-	-	-	-	(27,308)	-
Interim dividend declared for 2021	-	-	-	-	-	-	-	-	(22,344)	-
Donations approved for 2020	-	-	-	-	-	-	-	-	(4,392)	-
Purchase of market making shares	-	-	-	-	-	-	(1,351)	-	(1,351)	-
Acquisition of treasury shares	-	-	-	-	-	-	-	(164)	(164)	-
Equity-settled share-based payment	-	-	-	-	-	459	-	-	459	-
Transfer to general reserve	-	-	1	-	-	-	-	-	(1)	-
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(6,447)
<b>Total contributions and distributions</b>									(55,100)	(6,447)
	-	-	1	-	-	459	(1,351)	(164)	(54,045)	(61,547)
<b>At 30 September 2021 (reviewed)</b>	<b>166,320</b>	<b>83,285</b>	<b>44,001</b>	<b>(13,985)</b>	<b>(20,702)</b>	<b>459</b>	<b>(3,427)</b>	<b>(880)</b>	<b>223,564</b>	<b>38,792</b>
									<b>478,635</b>	<b>517,427</b>

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 nine months ended 30 September 2021

BD'000

2020	Equity attributable to equity holders of the Company							Non - controlling interest	Total equity		
	Other Reserves										
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Investment fair value reserve	Post- employment benefit actuarial reserve	Treasury shares	Retained earnings	Total		
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	-	-	-	-	-	-	-	50,278	50,278	5,796	56,074
Other comprehensive income											
Foreign currency translation differences	-	-	-	(2,684)	-	-	-	-	(2,684)	4	(2,680)
Investment fair value changes	-	-	-	-	(218)	-	-	-	(218)	-	(218)
Remeasurement of defined benefit asset including related tax	-	-	-	-	-	4,177	-	(8,591)	(4,414)	-	(4,414)
Total other comprehensive income	-	-	-	(2,684)	(218)	4,177	-	(8,591)	(7,316)	4	(7,312)
Total comprehensive income for the period	-	-	-	(2,684)	(218)	4,177	-	41,687	42,962	5,800	48,762
Contributions and distributions											
Final dividends declared for 2019	-	-	-	-	-	-	-	(28,994)	(28,994)	-	(28,994)
Interim dividend declared for 2020	-	-	-	-	-	-	-	(22,362)	(22,362)	-	(22,362)
Donations approved for 2019	-	-	-	-	-	-	-	(1,291)	(1,291)	-	(1,291)
Treasury shares acquired	-	-	-	-	-	-	1,183	-	1,183	-	1,183
Transfer to statutory reserve	-	125	-	-	-	-	-	(125)	-	-	-
Non-controlling interest recognised on acquisition	-	-	-	-	-	-	-	-	-	397	397
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(8,857)	(8,857)
Total contributions and distributions	-	125	-	-	-	-	1,183	(52,772)	(51,464)	(8,460)	(59,924)
At 30 September 2020 (reviewed)	166,320	83,285	44,000	(17,174)	(28,902)	-	(876)	217,955	464,608	37,605	502,213

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 nine months ended 30 September 2021**

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**1 REPORTING ENTITY**

Bahrain Telecommunication Company BSC (the "Company") is a Bahraini incorporated company listed on the Bahrain Bourse. The condensed consolidated interim financial statements as at and for the nine months period ended 30 September 2021 comprise the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group") and the Group's interests in an associate entity. 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.

**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.

The condensed consolidated interim financial statements are reviewed, not audited. 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 reviewed condensed consolidated interim financial statements for the nine months period ended 30 September 2020.

**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 12.

**3 CASH AND BANK BALANCES**

Cash and bank balances of BD 196,066 (Dec 2020: BD 195,299) include BD 94,395 (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.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
for the nine months ended 30 September 2021**

BD'000

**4 LOANS AND BORROWINGS**

Terms financing and overdraft facilities from banks include:

(i) Long term loan facility with a total available amount of BD 58.5 million (2020: BD 58.5 million) (of which BD 24.4 million (2020: BD 24.4 million) outstanding as of 30 September 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 at 30 September 2021. 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 30 September 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 at 30 September 2021. 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 30 September 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 at 30 September 2021. 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 30 September 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 at 30 September 2021. 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 30 September 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) Long term loan facility with a total available amount of BD 3 million (2020: Nil) (of which BD 3 million is outstanding as of 30 September 2021) was obtained by a Group company to finance the deferred capital payments. The facility bears an interest rate of 3 months Libor + 4.75% per annum and is due to be settled by May 2024. As at 30 September 2021, BD 1 million of the amount was classified under current liabilities being due within the next 12 months.

(vii) 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 Nil (2020: BD 8.7 million). The undrawn overdraft limits as at 30 September 2021 amounted to BD 15.1 million (2020: BD 6.4 million).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2021**

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**4. LOANS AND BORROWINGS (continued)**

(viii) The import loan facility 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 0.6 million (2020: Nil). The undrawn loan limit as at 30 September 2021 amounted to BD 3.9 million (2020: Nil).

**5 REVENUE**

**a) Disaggregation of revenue**

**Revenue by major products**

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
Mobile telecommunication services	136,668	136,385	45,663	45,332
Data communication circuits	53,057	52,744	16,681	16,975
Fixed broadband	58,212	50,674	19,473	17,824
Fixed line telecommunication services	16,417	16,584	5,433	5,476
Wholesale services	15,269	14,782	5,174	5,190
Others	16,744	14,500	5,780	5,076
	<b>296,367</b>	<b>285,669</b>	<b>98,204</b>	<b>95,873</b>

**Revenue by timing of recognition**

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
Products transferred at a point in time (Equipment revenue)	22,565	20,294	7,181	7,581
Products and services transferred over time (Revenue from provision of services)	273,802	265,375	91,023	88,292
	<b>296,367</b>	<b>285,669</b>	<b>98,204</b>	<b>95,873</b>

For a further break down of total revenue by the Group's key geographical segments, please refer to note 14.

**b) Contract balances**

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

	<b>30 September 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Receivables and contract assets (included in Trade and other receivables)	<b>87,878</b>	91,828
Contract liabilities (included in Trade and other payables)	<b>3,265</b>	3,298



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the nine months ended 30 September 2021**

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*b) Contract balances (continued)*

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.

**6 EARNINGS PER SHARE**

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
Profit for the period attributable to equity holders of the Company	53,219	50,278	15,693	14,410
Weighted average number of shares outstanding during the period (million)	1,655	1,657	1,655	1,657
<b>Basic earnings per share (Fils)</b>	<b>32.2</b>	<b>30.3</b>	<b>9.5</b>	<b>8.7</b>

**7 SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

**a) Commitments**

The Group has capital commitments at 30 September 2021 amounting to BD 15 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 amounting to Nil (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 30 September 2021, the Group's banks have issued guarantees, amounting to BD 8.8 million (31 December 2020: BD 12.5 million) and letters of credit amounting to BD 8.4 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.

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**8. FAIR VALUE (continued)**

*Fair value hierarchy*

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

- (i) Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- (iii) Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured as at 30 September 2021, by the level in the fair value hierarchy into which the fair value measurement is categorized:

30 September 2021	Fair value				Total carrying amount
	Level 1	Level 2	Level 3	Total fair value	
Financial assets at fair value through profit and loss (FVTPL)					
Other investments – equity securities	-	-	11	11	11
Financial assets at fair value through OCI (FVOCI)					
Other investments – debt and equity securities	10,938	7,192	3,716	21,846	21,846

31 December 2020	Fair value				Total carrying amount
	Level 1	Level 2	Level 3	Total fair value	
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 of BD 10,938 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.



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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.

<b>Nine months ended 30 September</b>	
<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
Short-term employee benefits	705
Post-employment benefits	5
<b>Total key management personnel compensation</b>	<b>710</b>
<b>Directors remuneration (including sitting fees)</b>	<b>408</b>
	1,190
	6
	1,196
	437

**10 FINANCIAL SEPERATION WITH SUBSIDAIRY COMPANY**

In June 2021, the Company completed the financial separation of its Bahrain operations with its wholly owned subsidiary BNET B.S.C (c) ("BNET"). BNET was set-up to undertake the national broadband network operations in Bahrain in accordance with requirements of Fourth National Telecommunication Plan ("NTP-4") issued on 8 May 2016 and commenced full operations on 1 June 2021 after the transfer of network assets and operations.

**11 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.

In the Board of Directors meeting dated 29 July 2021, an interim dividend of 13.5 fils per share has been approved by the directors amounting to BD 22.3 million,

**12 SIGNIFICANT EVENT - COVID-19**

During 2020, an outbreak of the novel Coronavirus (COVID-19) has rapidly evolved across the region and globally. 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 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.

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**12. Significant Event - COVID-19 (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.

**13 COMPARATIVES**

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



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## 14 SEGMENT INFORMATION

## Operating segments

The Group's operations are segregated between Bahrain, Jordan, Maldives, Sure Group and others. Others include Yemen and other group operations. Segment information disclosed for the nine months ended 30 September 2021 is as follows:

	For the nine months ended September 2021 (reviewed)					
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination
Segment revenue and profit						Total
Revenue (external customers)	139,407	67,356	46,157	43,447	-	-
Inter-segment revenues	71	320	-	-	-	(391)
Profit/(loss)	36,311	3,869	12,930	6,452	(18)	-
						59,544

For the nine months period ended 30 September 2020 (reviewed)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
	134,184	66,109	45,514	39,863	-	(1)	285,669
	61	314	-	-	-	(375)	-
	38,351	1,454	12,103	4,208	(14)	(28)	56,074

	As at 30 September 2021 (reviewed)						
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
Non-current assets	203,892	275,626	96,350	76,758	7,732	(10,802)	649,556
Current assets	237,312	38,928	53,325	32,339	185	(12,546)	349,543
<b>Total assets</b>	<b>441,204</b>	<b>314,554</b>	<b>149,675</b>	<b>109,097</b>	<b>7,917</b>	<b>(23,348)</b>	<b>999,099</b>
Current liabilities	92,518	57,965	35,303	14,581	102	(22,215)	178,254
Non-current liabilities	185,915	117,860	15,145	14,459	-	(29,961)	303,418
<b>Total liabilities</b>	<b>278,433</b>	<b>175,825</b>	<b>50,448</b>	<b>29,040</b>	<b>102</b>	<b>(52,176)</b>	<b>481,672</b>

As at 31 December 2020 (audited)							
	Bahrain	Jordan	Maldives	Sure Group	Others	Inter - segment elimination	Total
	196,439	266,305	99,207	90,803	9,915	(18,451)	644,218
	250,943	35,980	42,410	29,183	174	(10,752)	347,938
	447,382	302,285	141,617	119,986	10,089	(29,203)	992,156
	96,248	80,174	30,665	14,178	75	(15,136)	206,204
	178,677	87,183	11,920	16,455	-	(20,365)	273,870
	274,925	167,357	42,585	30,633	75	(35,501)	480,074

**Supplementary Information – Not reviewed**

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**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 0.3 million year on 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.