Al Yah Satellite Communications Company PJSC

Condensed consolidated interim financial statements

For the nine months ended 30 September 2022

Al Yah Satellite Communications Company PJSC

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For the nine months ended 30 September 2022

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Contents

The Directors have pleasure in presenting their report, together with the reviewed condensed consolidated interim financial statements of Al Yah Satellite Communications Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the nine months ended 30 September 2022.

Principal activities

The Group's principal activities include leasing of satellite communication capacity, end-to-end integrated satellite communication and managed services, and providing fixed and mobile telecommunication services via satellites to customers.

Results for the period

For the nine months ended 30 September 2022, the Group reported revenue of $314,584 thousand (30 September 2021: $284,294 thousand) and profit for the period attributable to its shareholders of $35,144 thousand (30 September 2021: $43,296 thousand).

Transactions with related parties

Related party transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations. Related party transactions are disclosed in note 14 of the condensed consolidated interim financial statements.

Directors

Musabbeh Al Kaabi
H.E. Tareq Abdul Raheem Al Hosani
H. E. Rashed Al Ghafri
Badr Alolama
Masood M. Sharif Mahmood
H.E. Maryam Eid Khamis AlMheiri
Peng Xiao
Gaston Urda
Adrian Georges Steckel

Auditors

The condensed consolidated interim financial statements for the nine months ended 30 September 2022 have been reviewed by KPMG Lower Gulf Limited.

On behalf of the Board of Directors

DocuSigned by:
Musabbeh Al Kaabi
700A64D757D7407

Chairman of the Board
Musabbeh Al Kaabi

Date: 7 November 2022

KPMG

KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Corniche Road, P.O. Box 7613
Abu Dhabi, United Arab Emirates
Tel. +971 (2) 401 4800, www.kpmg.com/ae

Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Al Yah Satellite Communications Company PJSC

Review of Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying 30 September 2022 condensed consolidated interim financial statements of Al Yah Satellite Communications Company PJSC ("the Company") and its subsidiaries (together referred to as "the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2022;
- the condensed consolidated interim statement of profit or loss for the three months and nine months ended 30 September 2022;
- the condensed consolidated interim statement of comprehensive income for the three months and nine months ended 30 September 2022;
- the condensed consolidated interim statement of changes in equity for the nine months ended 30 September 2022;
- the condensed consolidated interim statement of cash flows for the nine months ended 30 September 2022; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of this 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 condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2022 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Richard Ackland
Registration No. : 1015
Abu Dhabi, United Arab Emirates

Date: 07 November 2022

Al Yah Satellite Communications Company PJSC

Condensed consolidated interim statement of profit or loss

	Notes	Three months ended 30 September 2022 $ 000	Three months ended 30 September 2021 $ 000	Nine months ended 30 September 2022 $ 000	Nine months ended 30 September 2021 $ 000
Revenue	4	109,017	94,110	314,584	284,294
Cost of revenue		(8,574)	(9,173)	(30,337)	(22,590)
Staff costs		(22,353)	(25,134)	(64,170)	(65,903)
Other operating expenses [(1)]		(11,657)	(5,238)	(32,717)	(26,484)
Other income		530	632	1,598	1,769
Adjusted EBITDA [(2)]		**66,963**	**55,197**	**188,958**	**171,086**
Depreciation and amortisation		(36,155)	(38,344)	(108,043)	(111,828)
Fair value adjustment on investment property		-	-	800	(209)
Operating profit		**30,808**	**16,853**	**81,715**	**59,049**
Finance income		3,120	39	4,490	239
Finance costs		(2,482)	(2,171)	(5,989)	(15,075)
Net finance income/(costs)		**638**	**(2,132)**	**(1,499)**	**(14,836)**
Share of results of equity-accounted investments [(3)]	6	(43,485)	(3,311)	(50,051)	(6,160)
Profit/(loss) before income tax		**(12,039)**	**11,410**	**30,165**	**38,053**
Income tax (expense)/reversal		(49)	42	(121)	(77)
Profit/(loss) for the period		**(12,088)**	**11,452**	**30,044**	**37,976**
Losses (net) for the period attributable to non-controlling interests		(1,871)	(1,745)	(5,100)	(5,320)
Profit/(loss) for the period attributable to the Shareholders		**(10,217)**	**13,197**	**35,144**	**43,296**
Earnings per share					
Basic and diluted (cents per share)	17	(0.42)	0.54	1.44	1.77

[(1)] Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and nine months ended 30 September 2022, there was a net reversal of expected credit losses of $150 thousand and $880 thousand respectively. For the three months and nine months ended 30 September 2021, there was a net reversal of expected credit losses of $4,632 thousand and $2,404 thousand respectively.

[(2)] Earnings before interest, tax, depreciation, amortisation, impairment, fair value adjustments on investment property and share of results of equity-accounted investments. Refer to note 3 for a reconciliation of Adjusted EBITDA to profit for the period. Adjusted EBITDA is a non-GAAP measure.

[(3)] Share of results of equity-accounted investments include impairment loss of investment in an associate. For the three months and nine months ended 30 September 2022 there was an impairment charge of $40,575 thousand (for the three months and nine months ended 30 September 2021: nil).

The notes on pages 6 to 16 form part of these condensed consolidated interim financial statements.

The independent auditor's review report is set out on pages ii to iii.

Al Yah Satellite Communications Company PJSC

Condensed consolidated interim statement of comprehensive income

	Three months ended 30 September 2022 $ 000	Three months ended 30 September 2021 $ 000	Nine months ended 30 September 2022 $ 000	Nine months ended 30 September 2021 $ 000
Profit/(loss) for the period	**(12,088)**	**11,452**	**30,044**	**37,976**
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	13,776	6	44,272	(43)
Cash flow hedge - (gain)/loss reclassified to profit or loss	(2,385)	886	(983)	10,592
Foreign operations - currency translation differences	(2,842)	(9,180)	3,924	(4,948)
Total comprehensive income/(loss) for the period	**(3,539)**	**3,164**	**77,257**	**43,577**
Total comprehensive loss attributable to non-controlling interests	(1,880)	(1,756)	(5,086)	(5,320)
Total comprehensive income/(loss) attributable to the Shareholders	**(1,659)**	**4,920**	**82,343**	**48,897**

The notes on pages 6 to 16 form part of these condensed consolidated interim financial statements.

The independent auditor's review report is set out on pages ii to iii.

Al Yah Satellite Communications Company PJSC

Condensed consolidated interim statement of financial position

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	Notes	30 September 2022 $ 000	31 December 2021 $ 000
Assets			
Property, plant and equipment	5	1,130,462	1,131,294
Investment property		20,836	20,231
Right-of-use assets		11,251	15,288
Intangible assets		7,838	9,828
Equity-accounted investments	6	65,605	116,203
Trade and other receivables	8	10,382	10,382
Derivative financial instruments		39,566	3,210
Other investments	7	1,400	-
Deferred income tax assets		77	129
Total non-current assets		**1,287,417**	**1,306,565**
Inventories		7,163	5,863
Trade and other receivables	8	196,290	147,625
Derivative financial instruments		11,268	1,644
Income tax assets		182	187
Cash and short-term deposits*	9	631,335	400,274
Total current assets		**846,238**	**555,593**
Total assets		**2,133,655**	**1,862,158**
Liabilities			
Trade and other payables	10	169,090	82,253
Borrowings	11	120,880	62,669
Derivative financial instruments		-	193
Deferred revenue	12	90,923	26,988
Income tax liabilities		181	163
Total current liabilities		**381,074**	**172,266**
Trade and other payables	10	385,537	291,000
Borrowings	11	465,339	469,568
Provision for employees' end of service benefits		12,389	11,238
Total non-current liabilities		**863,265**	**771,806**
Total liabilities		**1,244,339**	**944,072**
Net assets		**889,316**	**918,086**
Equity			
Share capital		664,334	664,334
Hedging reserve		48,715	5,426
Statutory reserve		9,567	9,567
Translation reserve		(25,777)	(29,687)
Retained earnings		120,861	191,744
Equity attributable to the Shareholders		**817,700**	**841,384**
Non-controlling interests		71,616	76,702
Total equity		**889,316**	**918,086**

* Cash and short term deposits include cash and cash equivalents of $240,954 thousand (31 December 2021: US$ 277,738 thousand).

To the best of our knowledge, the financial information included in these condensed consolidated interim financial statements presents fairly, in all material respects, the financial position, results of operations and cash flows of the Group as of, and for, the period presented therein.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 7 November 2022 and approved on their behalf by:

DocuSigned by: Musabbeh Al Kaabi 700A64D757D7407...	DocuSigned by: 13AA0BE7E75B451...	DocuSigned by: Andrew Francis Cole A6BF0B65FED14B7...
Chairman of the Board	**Chief Executive Officer**	**Chief Financial Officer**
Musabbeh Al Kaabi	**Ali Hashem Al Hashemi**	**Andrew Francis Cole**

The financial position as of 30 September 2022 is reviewed. The comparative financial position of as of 31 December 2021 is audited.

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The notes on pages 6 to 16 form part of these condensed consolidated interim financial statements.

The independent auditor's review report is set out on pages ii to iii.

Al Yah Satellite Communications Company PJSC

Condensed consolidated interim statement of changes in equity

for the nine months ended 30 September

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	Share capital $ 000	Additional paid-in capital $ 000	Hedging reserve $ 000	Other Reserves [1] $ 000	Retained earnings $ 000	Total $ 000	Non-controlling interests $ 000	Total equity $ 000
	Attributable to the Shareholders							
At 1 January 2021	**2,722**	**661,612**	**(9,657)**	**(18,099)**	**259,946**	**896,524**	**83,591**	**980,115**
Profit/(loss) for the period	-	-	-	-	43,296	43,296	(5,320)	37,976
Other comprehensive income:								
Currency translation differences	-	-	-	(4,948)	-	(4,948)	-	(4,948)
Cash flow hedge - effective portion of changes in fair value	-	-	(43)	-	-	(43)	-	(43)
Cash flow hedge - loss reclassified to profit or loss	-	-	10,592	-	-	10,592	-	10,592
Other comprehensive income/(loss) for the period	**-**	**-**	**10,549**	**(4,948)**	**-**	**5,601**	**-**	**5,601**
Total comprehensive income/(loss) for the period	**-**	**-**	**10,549**	**(4,948)**	**43,296**	**48,897**	**(5,320)**	**43,577**
Conversion of additional paid-in capital to share capital	661,612	(661,612)	-	-	-	-	-	-
Transactions with the Shareholder:								
Dividends (Note 16)	-	-	-	-	(132,500)	(132,500)	-	(132,500)
At 30 September 2021	**664,334**	**-**	**892**	**(23,047)**	**170,742**	**812,921**	**78,271**	**891,192**
At 1 January 2022	**664,334**	**-**	**5,426**	**(20,120)**	**191,744**	**841,384**	**76,702**	**918,086**
Profit/(loss) for the period	-	-	-	-	35,144	35,144	(5,100)	30,044
Other comprehensive income:								
Currency translation differences	-	-	-	3,910	-	3,910	14	3,924
Cash flow hedge - effective portion of changes in fair value	-	-	44,272	-	-	44,272	-	44,272
Cash flow hedge - gain reclassified to profit or loss	-	-	(983)	-	-	(983)	-	(983)
Other comprehensive income for the period	**-**	**-**	**43,289**	**3,910**	**-**	**47,199**	**14**	**47,213**
Total comprehensive income/(loss) for the period	**-**	**-**	**43,289**	**3,910**	**35,144**	**82,343**	**(5,086)**	**77,257**
Transactions with the Shareholders:								
Dividends (Note 16)	-	-	-	-	(106,027)	(106,027)	-	(106,027)
At 30 September 2022	**664,334**	**-**	**48,715**	**(16,210)**	**120,861**	**817,700**	**71,616**	**889,316**

[1] Other reserves include statutory reserve and translation reserve. As at 30 September 2022, statutory reserve and translation reserve had credit balance of $9,567 thousand and debit balance of $25,777 thousand respectively (30 September 2021: credit balance of $4,103 thousand and debit balance of $27,150 thousand respectively).

The notes on pages 6 to 16 form part of these condensed consolidated interim financial statements.

The independent auditor's review report is set out on pages ii to iii.

Condensed consolidated interim statement of cash flows

for the nine months ended 30 September

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	Notes	2022 $ 000	2021 $ 000
Operating activities			
Profit before income tax		30,165	38,053
Adjustments for:			
Share of results of equity-accounted investments		50,051	6,160
Depreciation and amortisation		108,043	111,828
Reversal of expected credit losses		(880)	(2,404)
Loss allowance for inventories (reversal)		(10)	641
Fair value adjustment on investment property		(800)	209
Finance income		(4,490)	(239)
Finance costs		5,989	15,075
Gain on disposal of property, plant and equipment		-	(31)
Write-off of property, plant and equipment		25	-
Provision for employees' end of service benefits		1,590	1,577
Operating profit before working capital changes		**189,683**	**170,869**
Working capital changes:			
Trade and other receivables		(47,785)	(16,815)
Inventories		(1,290)	7,443
Trade and other payables		(10,401)	(21,635)
Deferred revenue		63,935	62,491
Employee end of service payments		(458)	(723)
Income tax paid		(46)	(214)
Net cash from operating activities		**193,638**	**201,416**
Investing activities			
Purchases of property, plant and equipment (including capital work in progress)		(107,817)	(106,788)
Additions to intangible assets		(896)	(193)
Return of investment in an associate		4,225	2,080
Investment in an associate		-	(9,880)
Acquisition of other investments		(1,400)	-
Receipt of short-term deposits with original maturity of over three months		47,652	92,771
Investments in short-term deposits with original maturity of over three months		(315,497)	-
Proceeds on disposal of property, plant and equipment		-	49
Interest received		4,490	239
Net cash used in investing activities		**(369,243)**	**(21,722)**
Financing activities			
Proceeds from borrowings		55,182	506,681
Transaction costs on borrowings paid		-	(16,292)
Repayment of term loans		-	(254,653)
Payment of lease liabilities		(5,037)	(4,225)
Interest paid		(9,479)	(4,159)
Advance payment received from a related party	14	150,021	-
Settlement of derivative financial instruments		-	(8,555)
Dividend paid to the Shareholders		(52,482)	(132,500)
Net cash from financing activities		**138,205**	**86,297**
Net (decrease)/increase in cash and cash equivalents		**(37,400)**	**265,991**
Net foreign exchange difference		616	195
Cash and cash equivalents at the beginning of the period		277,738	104,915
Cash and cash equivalents as at the end of the period		**240,954**	**371,101**

The notes on pages 6 to 16 form part of these condensed consolidated interim financial statements.
The independent auditor's review report is set out on pages ii to iii.

1 General information

Al Yah Satellite Communications Company (the “Company”) was incorporated on 23 January 2007 as a private joint stock company in Abu Dhabi, United Arab Emirates (UAE). UAE Federal Law No. 2 of 2015 (Companies Law) (as amended) is applicable to the Company and has come into effect on 1 July 2015.

On 16 June 2021, the Company was converted into a public joint stock company and on 14 July 2021, the Company’s shares were listed on the Abu Dhabi Securities Exchange.

The Company is a subsidiary of Mubadala Investment Company PJSC (the “Parent Company” or the "Shareholder"), an entity wholly owned by the Government of Abu Dhabi.

This condensed consolidated interim financial statements include the financial performance and position of the Company, its subsidiaries (collectively referred to as the “Group”) and the Group’s interest in its equity-accounted investees.

The Group’s principal activity is the leasing of satellite communication capacity and providing telecommunication services via satellite to customers.

2 Significant accounting policies

2.1 Basis of preparation

Statement of compliance
These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and comply where appropriate, with the Articles of Association and applicable requirements of the laws of the UAE.

The Group is required, for the nine months ended 30 September 2022, to be in compliance with the provisions of UAE Federal Decree Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”), which was issued on 20 September 2021 and came into effect on 2 January 2022. The New Companies Law replaced the previously applicable UAE Federal Law No. 2 of 2015 on Commercial Companies, as amended.

These condensed consolidated interim financial statements should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The same accounting policies and methods of computation are followed in the condensed interim financial statements as compared with the most recent annual financial statements.

Basis of measurement
These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments, other investments and investment property, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and presentation currency
These condensed consolidated interim financial statements are presented in United States Dollars (“USD” or "$"), the functional currency of the Company and the presentation currency of the Group. Subsidiaries and its equity-accounted investees determine their own functional currency and items included in the financial statements of these companies are measured using that functional currency. All financial information presented in USD has been rounded to the nearest thousand ("$ 000"), unless stated otherwise.

Use of judgements and estimates
In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements except for judgement relating to determination of significant financing component in T4-NGSA (refer note 14) and estimation of impairment of investment in equity-accounted investees (refer note 6).

2.2 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
The amendment specifies which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendment is effective for annual reporting periods beginning on or after 1 January 2022. The amendment did not have a material impact on the Group.

2 Significant accounting policies (continued)

2.2 New and amended standards and interpretations (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments did not have a material impact on the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments did not have a material impact on the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendment did not have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments did not have a material impact on the Group.

IFRS 16 Leases - Lease incentives
The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments did not have a material impact on the Group.

2.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts
The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and are to be applied retrospectively. The Group is assessing the potential impact of this amendment.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendment is effective for annual periods beginning on or after 1 January 2023 with earlier adoption permitted. The amendment is not expected to have a material impact on the Group.

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements
The amendment refined its definition of material and issued non-mandatory practical guidance on applying the concept of materiality. The amendment is effective for annual periods beginning on or after 1 January 2023. The amendment is not expected to have a material impact on the Group.

Amendments to IAS 8: Definition of Accounting Estimate
The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment is effective for annual periods beginning on or after 1 January 2023. The amendment is not expected to have a material impact on the Group.

3 Segment information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments.

Accounting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) who is the Chief Executive Officer. The CODM makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Information on segments

The CODM monitors the operating results of the segments for the purpose of making decisions, allocating resources and assessing performance. The segments are based on lines of business as follows:

- Infrastructure segment, which primarily provides long-term satellite capacity leases, and satellite operation services. This is the largest operating segment.
- Managed Solutions segment includes end-to-end managed solutions provided mainly to government customers (Yahsat Government Solutions) and other industry solutions.
- Mobility Solutions segment provides narrow-band satellite solutions under the trade name Thuraya.
- Data Solutions (BCS) segment primarily represents the Group's Yahclick business providing broadband satellite solutions in Africa, Middle East and Asia.
- 'Others' include two segments: a) Data Solutions - Brazil representing the Group's Brazilian associate HPE and b) Broadcast segment representing the Group's associate Al Maisan.

Segment revenue is measured in a manner consistent with that in the condensed consolidated interim statement of profit or loss. The performance of the segments is evaluated on the following basis:

- Infrastructure and Managed Solutions segments are evaluated based on segment Adjusted EBITDA, a measure broadly consistent with Group Adjusted EBITDA.
- Data Solutions (BCS) and Mobility Solutions segments are evaluated based on segment Adjusted EBITDA and segment profit or loss which is measured consistently with profit for the year in the consolidated financial statements.
- Data solutions (Brazil) and Broadcast segments are evaluated based on the Group's share of results in the respective equity accounted investments (associates).

Elimination of inter-segment revenue and other consolidation adjustments, if any, are presented under the column 'reconciliation'.

Capital expenditure includes additions during the period to property, plant and equipment, right-of-use assets and intangible assets.

The breakdown of revenue from external customers by nature of business activity is provided in Note 4.

The segment information for the nine months ended 30 September 2022 is as follows:

	Infrastructure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Recon-ciliation	Total
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
External revenue	178,050	66,532	52,669	17,333	-	-	314,584
Inter-segment revenue	2,727	254	191	548	-	(3,720)	-
Total revenue	**180,777**	**66,786**	**52,860**	**17,881**	**-**	**(3,720)**	**314,584**
Adjusted EBITDA	**135,347**	**39,911**	**15,155**	**(1,455)**	**-**	**-**	**188,958**
Depreciation and amortisation	(68,319)	(208)	(14,492)	(25,024)	-	-	(108,043)
Fair value gain on investment property	-	-	800	-	-	-	800
Finance income	12,342	-	142	959	-	(8,953)	4,490
Finance costs	(14,002)	-	(542)	(398)	-	8,953	(5,989)
Share of results - HPE	-	-	-	-	(51,803)	-	(51,803)
Share of results - Al Maisan	-	-	-	-	1,752	-	1,752
Income tax expense	-	-	(4)	(117)	-	-	(121)
Profit/(loss) for the period	**65,368**	**39,703**	**1,059**	**(26,035)**	**(50,051)**	**-**	**30,044**
Profit/(loss) for the period attributable to non-controlling interests	-	-	107	(5,207)	-	-	(5,100)
Profit/(loss) for the period attributable to the Shareholders	**65,368**	**39,703**	**952**	**(20,828)**	**(50,051)**	**-**	**35,144**
Capital expenditure	86,872	13	12,818	1,664	-	-	101,367

3 Segment information (continued)

The segment information for the nine months ended 30 September 2021 is as follows:

	Infrastructure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Recon-ciliation	Total
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
External revenue	179,225	41,927	45,887	17,255	-	-	284,294
Inter-segment revenue	809	-	-	586	-	(1,395)	-
Total revenue	**180,034**	**41,927**	**45,887**	**17,841**	**-**	**(1,395)**	**284,294**
Adjusted EBITDA	**137,217**	**19,162**	**17,282**	**(2,575)**	**-**	**-**	**171,086**
Depreciation and amortisation	(68,402)	(79)	(18,783)	(24,564)	-	-	(111,828)
Fair value losses on investment property	-	-	(209)	-	-	-	(209)
Finance income	963	-	6	1,962	-	(2,692)	239
Finance costs	(16,884)	-	(745)	(138)	-	2,692	(15,075)
Share of results - HPE	-	-	-	-	(7,407)	-	(7,407)
Share of results - Al Maisan	-	-	-	-	1,247	-	1,247
Income tax expense	(30)	-	(13)	(34)	-	-	(77)
Profit/(loss) for the period	**52,864**	**19,083**	**(2,462)**	**(25,349)**	**(6,160)**	**-**	**37,976**
Loss for the period attributable to non-controlling interests	-	-	(250)	(5,070)	-	-	(5,320)
Profit/(loss) for the period attributable to the Shareholders	**52,864**	**19,083**	**(2,212)**	**(20,279)**	**(6,160)**	**-**	**43,296**
Capital expenditure	98,513	137	3,975	3,862	-	-	106,487

Geographical information

The information on Group's revenue by geography has been compiled based on the principal location of the customers. The Group's principal place of operations is the United Arab Emirates.

Information on significant revenues from a single customer is provided in Note 14.

	Nine months ended 30 September	
	2022	2021
	$ 000	$ 000
United Arab Emirates	269,593	237,495
Europe	15,186	17,607
Asia	13,568	16,378
Africa	12,374	8,347
North America	2,958	3,749
Others	905	718
Revenue	**314,584**	**284,294**

4 Revenue

	Notes	Three months ended 30 September 2022 $ 000	Three months ended 30 September 2021 $ 000	Nine months ended 30 September 2022 $ 000	Nine months ended 30 September 2021 $ 000
Services rendered		103,634	88,656	297,001	272,660
Sale of equipment and accessories		5,383	5,454	17,583	11,634
		109,017	**94,110**	**314,584**	**284,294**
Revenue from related parties is disclosed in Note 14.					
Revenue includes:					
Revenue from contracts with customers (IFRS 15)		76,020	61,615	215,580	185,868
Income from operating leases (IFRS 16)		32,997	32,495	99,004	98,426
		109,017	**94,110**	**314,584**	**284,294**
Disaggregation of revenue by operating segment:					
Services rendered:					
Infrastructure		59,475	59,296	178,050	179,225
Managed solutions		27,298	12,877	66,532	41,927
Mobility solutions		11,901	11,560	36,687	34,942
Data solutions - BCS		4,960	4,923	15,732	16,566
Sale of equipment and accessories					
Mobility solutions		4,332	4,961	15,982	10,945
Data solutions - BCS		1,051	493	1,601	689
	3	**109,017**	**94,110**	**314,584**	**284,294**
Timing of recognition of revenue from contracts with customers:					
Over time		70,624	56,166	187,754	173,635
At a point in time		5,396	5,449	27,826	12,233
		76,020	**61,615**	**215,580**	**185,868**

Revenue by geography is disclosed in note 3.

Contract balances (IFRS 15)	Notes	30 September 2022 $ 000	31 December 2021 $ 000
Trade receivables, net of loss allowance	8	120,477	110,651
Contract assets	8	44,930	17,836
Contract liabilities:			
Advance from customers - related party *		279,001	128,040
Advance from customers - others	10	1,328	1,592
Deferred revenue	12	57,879	26,988

* The balance as of 30 September 2022 includes initial advance payment on the T4-NGSA (refer to note 14).

5 Property, plant and equipment

	30 September 2022 $ 000	31 December 2021 $ 000
At the beginning of the period/year	1,131,294	1,116,534
Additions	100,471	154,466
Depreciation	(101,124)	(139,307)
Transfer from investment property	195	-
Disposal	-	(18)
Transfer to intangible assets	-	(133)
Write-off	(25)	(5)
Exchange differences	(349)	(243)
At the end of the period/year	**1,130,462**	**1,131,294**

Capital work in progress of $319 million (31 December 2021: $227 million) is included in property, plant and equipment as of the end of the reporting period of which $310.1 million (31 December 2021: $218.4 million) relates to the Thuraya 4 satellite (T4-NGS) under construction.

Additions during the period mainly relate to T4-NGS under construction amounting to $91.7 million.

Additions to property, plant and equipment during the nine months ended 30 September 2021 amounted to $106.3 million of which additions to capital work in progress amounted to $101.1 million.

During the period, the Group signed a commitment letter with the Government, whereby the Group was awarded $30 million as a grant in relation to the procurement of T4-NGS programme, in the form of reduction in the purchase price of the T4-NGS satellite. The supplier has adjusted the future milestone payments in respect of the satellite by the grant amount. The grant is in recognition of the Group signing the T4-NGS capacity services agreement with a government entity at an agreed discounted price of $708.4 million included in the contract value. The grant is also subject to few conditions including the completion of the T4-NGS programme and the training of UAE National trainees in the T4-NGS design and manufacturing process. As of the reporting date, management believes that the conditions to the grant will be met and accordingly, the Group eligible for the grant. As the grant is in the form of a purchase credit, reducing the total purchase price of the satellite, no separate grant receivable is required to be recognised. The future milestone payments to the satellite will be recorded, as incurred, as capital-work-in-progress at the reduced purchase price. Accordingly, the capital commitments under the T4-NGS procurement contract have been reduced by $30 million (note 13).

6 Equity-accounted investments

	30 September 2022 $ 000	31 December 2021 $ 000
At the beginning of the period/year	116,203	125,574
Contributions made during the period/year	-	9,880
Return of investment from Al Maisan	(4,225)	(2,080)
Share of results for the period/year	(50,051)	(9,589)
Exchange differences	3,678	(7,582)
At the end of the period/year	**65,605**	**116,203**
of which Investment in HPE	47,893	96,018
of which Investment in Al Maisan	17,712	20,185

During the three month period ended 30 September 2022 the Group identified indicators that its investment in HPE ('HPE cash generating unit' or 'HPE CGU'), which is an operating segment included in 'Others' (refer Note 3), may be impaired due to a rapid deterioration in the global macro-economic environment (during that period) which primarily impacted the discount rate used in assessing the recoverable amount of this investment. That recoverable amount was based on HPE CGU's estimated fair value less costs of disposal, calculated by discounting its projected cash flows – a Level 3 fair value hierarchy assessment. These cash flows reflect HPE CGU's expected business plan which is in line with the market participant assumptions. The cash flow projections cover the period from 2023 to 2037 considering various qualitative factors, extrapolated into perpetuity at a 3.0% growth rate and discounted using an estimated discount rate. The significant increases in interest rates, a significant strengthening of the US Dollar against a number of currencies and a general repricing of risk premiums led to a significant increase in the discount rate during this period to 14%. This impairment assessment resulted in a (non-cash) impairment loss of $40,575 thousand (nine months ended 30 September 2021: nil) which has been recorded within the share of results of equity accounted investments. Following the recognition of this impairment loss the carrying value of the Group's investment in the HPE CGU is equal to this estimated recoverable amount. An increase/decrease of 1% in the discount rate would result in a higher/lower impairment loss of $7,311 thousand.

At the end of the period, management has not identified any indicator that suggests that the Group's investment in Al Maisan is impaired.

Share of results for the nine months ended 30 September 2021 was a loss of $6,160 thousand (also refer to note 3).

7 Other investments

During the period, the Group invested in shares of eSAT Global Inc. ("eSAT Global"), which provides direct-to-satellite, ultra-low power, two-way, and low-latency narrowband connectivity solutions for IoT devices anywhere on earth. The Group's investment consists of Series-A non-cumulative convertible preference shares (“preferred stock”) which carry conversion option into common stock in addition to certiain preferential right upon dissolution. The Group has concluded that the preferred stock does not carry residual interest and is not an equity instrument, and accordingly accounted the investment at fair value through profit or loss. The fair value as at the reporting date approximates its initial purchase price.

8 Trade and other receivables

	30 September 2022 $ 000	31 December 2021 $ 000
Trade receivables	139,937	131,843
Allowance for expected credit losses	(19,460)	(21,192)
Trade receivables, net of allowance	**120,477**	**110,651**
Contract assets - accrued income	44,930	17,836
Prepayments - orbital services	10,000	10,000
Prepayments - others	4,273	2,686
Advances	17,407	11,378
Other receivables, net of allowance	9,585	5,456
Total trade and other receivables	**206,672**	**158,007**
of which non-current	10,382	10,382
of which current	196,290	147,625

9 Cash and short term deposits

	30 September 2022 $ 000	31 December 2021 $ 000
Cash on hand and in banks	119,725	277,738
Short-term deposits with banks - related parties *	304,500	-
Short-term deposits with banks - others *	207,110	122,536
Cash and short-term deposits	**631,335**	**400,274**
Less: Short-term deposits with original maturities of over three months	(390,381)	(122,536)
Cash and cash equivalents	**240,954**	**277,738**

* During the period, the Group a) placed short term deposits with banks (related parties $459,490 thousand and others $487,225 thousand) and b) received maturity proceeds on short term deposits (related parties $154,990 thousand and others $402,651 thousand).

10 Trade and other payables

	Notes	30 September 2022 $ 000	31 December 2021 $ 000
Trade payables		17,085	38,081
Accruals		36,372	31,886
Advance from customers - related party	14	441,960	291,000
Advance from customers - others		1,328	1,592
Other payables		57,882	10,694
Total trade and other payables		**554,627**	**373,253**
of which non-current		385,537	291,000
of which current		169,090	82,253

11 Borrowings

	30 September 2022 $ 000	31 December 2021 $ 000
The carrying amount of borrowings are as follows:		
A) Term loans:		
Principal amounts	589,672	532,819
Unamortised transaction costs	(15,541)	(17,118)
Term loans - net of unamortised transaction costs	**574,131**	**515,701**
B) Lease liabilities	12,088	16,536
Total borrowings	**586,219**	**532,237**
of which current	120,880	62,669
of which non-current	465,339	469,568

A) Term loans

The breakdown of the carrying amounts of the term loans is as follows:

	Repayment tenor Years	Principal amount $ 000	Unamortised transaction costs $ 000	Carrying amount $ 000
At 30 September 2022				
Term loan 5	2022-2026	400,000	(3,442)	396,558
Term loan 6	2024-2032	189,672	(12,099)	177,573
		589,672	**(15,541)**	**574,131**
At 31 December 2021				
Term loan 5	2022-2026	400,000	(4,135)	395,865
Term loan 6	2024-2032	132,819	(12,983)	119,836
		532,819	**(17,118)**	**515,701**

The table below provides the changes in the term loans arising from financing activities, including both cash and non-cash changes:

	30 September 2022 $ 000	31 December 2021 $ 000
The movements in term loans are as follows:		
At the beginning of the period/year	515,701	252,972
Additions (cash)	55,182	532,819
Additions (interest capitalised)	1,671	-
Transaction costs	-	(18,043)
Amortisation of transaction costs	1,577	3,670
Payments	-	(255,717)
At the end of the period/year	**574,131**	**515,701**

11 Borrowings (continued)

The principal amounts of the term loans are repayable as follows:

	Term loan 5 $ 000	Term loan 6 $ 000	Total $ 000
At 30 September 2022			
Within one year	120,000	-	120,000
1 - 2 years	85,000	-	85,000
2 - 5 years	195,000	66,942	261,942
Beyond 5 years	-	122,730	122,730
	400,000	**189,672**	**589,672**
At 31 December 2021			
Within one year	60,000	-	60,000
1 - 2 years	120,000	-	120,000
2 - 5 years	220,000	39,065	259,065
Beyond 5 years	-	93,754	93,754
	400,000	**132,819**	**532,819**

Term loan 5: On 14 June 2021, the Group entered into a new Term Facility Agreement for a facility amount of $400 million (Term loan 5 or 2021 Term Loan $400m Facility). Term loan 5 has a tenor of five years and is repayable in eight semi-annual installments starting from 14 December 2022. Term loan 5 bears interest at LIBOR plus margin of 1.30% per annum.

Term loan 6: On 14 June 2021, the Group entered into an export credit agency facility through a BPIFAE Facility Agreement (Term loan 6 or ECA $300.5m Facility). Term loan 6 will be used to partly fund the capital expenditure relating to the T4-NGS. The total facility amount is $300.5 million with a repayment period of 8.5 years and an availability period starting from 14 June 2021 until the date falling 5 months after the starting point of credit. The ECA $300.5m Facility bears interest at LIBOR plus margin of 0.60% per annum. During the period, an amount of $55.2 million was drawn from this facility (year ended 31 December 2021: $132.8 million). As of 30 September 2022, the unutilised facility amounted to $110.8 million.

Both Term loan 5 and Term loan 6 contain customary representations, warranties, covenants and undertakings including limitations on incurrence of financial indebtedness, mergers, acquisitions, disposals and negative pledge in relation to certain assets of the Group save, in each case, as permitted under the terms of the facility documents. In both facilities, the Group is required to maintain an interest cover ratio of not less than 4.00:1 and a net leverage ratio of no more than 3.00:1, in each case on a calculation date (which occurs on 30 June and 31 December in each financial year).

During the nine months ended 30 September 2021, additions amounting to $506.7 million (Term loan 5 and 6) and repayments amounting to $254.6 million (Term loan 1 and 4) were made.

B) Lease liabilities

	30 September 2022 $ 000	31 December 2021 $ 000
The movements in lease liabilities are as follows:		
At the beginning of the period/year	16,536	19,797
Accretion of interest	567	973
Payments	(5,037)	(4,254)
Additions	-	20
Exchange differences	22	-
At the end of the period/year	**12,088**	**16,536**

12 Deferred revenue

	30 September 2022 $ 000	31 December 2021 $ 000
Deferred revenue relating to a capacity services contract with a related party*	59,107	-
Unutilized airtime balances from prepaid scratch cards (IFRS 15)	15,141	18,001
Others (IFRS 15)	16,675	8,987
Total deferred revenue	**90,923**	**26,988**

*As of 30 September 2022, contract liabilities (IFRS 15) included within the deferred revenue relating to a capacity services contract with a related party amounted to $26,063 thousand (31 December 2021: Nil). The remaining amount relates to leases (IFRS 16).

13 Capital commitments and contingent liabilities

	30 September 2022 $ 000	31 December 2021 $ 000
Capital commitments - committed and contracted	185,483	259,305
Contingent liabilities - performance bonds provided by banks in the normal course of business	34,728	30,956

Capital commitments mainly relate to T4-NGS project. During the period, the Group received a grant of $30 million in the form of reduction in the purchase price of T4-NGS. Accordingly, capital commitments as of 30 September 2022 have been reduced by $30 million (refer to note 5).

14 Related party transactions

	Nine months ended 30 September	
	2022	2021
Transaction with related parties	$ 000	$ 000
Revenue		
Entities under common control*	234,536	211,717
Associate	1,098	1,029
Total	**235,634**	**212,746**
Interest income on short term deposits		
Entities under common control	2,454	191
Interest on term loans		
Entities under common control	709	2,834
Interest on contract liability		
Entities under common control	940	-
Outsourced expenses, office lease rent, systems support		
Entities under common control	910	792
Cost of sales		
Entities under common control	98	391
Associate	924	1,490
Total	**1,022**	**1,881**
Contract liability - advance from a related party		
Entities under common control **	150,021	-
Key management personnel compensation		
Short term employment benefits	3,585	5,615
Post-employment benefits	308	247

14 Related party transactions (continued)

* Revenue from entities under common control includes $226.9 million (nine months ended 30 September 2021: $204.7 million) from a single customer. Revenue from such customer is recorded under infrastructure, managed solutions and mobility solutions segments.

There are no revenues from an individual customer, except as disclosed above, that represent 10 percent or more of the Group's total revenue.

** On 17 June 2021, the Group signed the T4-NGS capacity services agreement with a government entity (T4-NGSA) for a total contract value of $708.4 million. The term of the T4-NGSA is 15 years from the date of commencement of Operational services of T4-NGS which is expected in the first half of 2025. Pursuant to the terms of T4-NGSA, the Group is entitled to receive an aggregate amount of $300 million as "Advance Payment" in two equal instalments starting from June 2022. Accordingly, the Group received the first instalment during the period amounting to $150 million plus applicable UAE value-added taxes. The Advance Payment will be offset against the quarterly payments for satellite services in equal instalments starting from the date of commencement of Operational services. Given that there is a significant time gap between the receipt of the advance payment and the provision of services, and the significant difference between the amount of promised consideration and the cash selling price of the promised services, management has determined that the contract contains significant financing component. In making its judgment, the Group's management considered the terms and conditions of the T4-NGSA and relevant accounting standard. Hence, as required by IFRS 15, the Group has adjusted the transaction price to include the financing component of $46.3 million bringing the total transaction price to $754.7 million as of 30 September 2022. Revenue will be recognized over time on a straight line basis from the date of commencement of Operational services.

15 Fair value disclosures

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes as explained below.

The fair value of the derivative financial instruments is based on broker quotes, which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Derivatives fall into Level 2 of the fair value hierarchy.

The fair value measurement for the investment property is classified as Level 2. The fair value has been determined by an external valuer based on transactions observable in the market.

There were no transfers between Level 1 and Level 2 during current and previous periods.

The fair values of the Group's current financial assets and liabilities are equal to their carrying amounts. The fair values of the Group's borrowings, which bear interest at variable rates, approximate their carrying amounts. These are determined using discounted cash flows.

16 Dividends

On 28 February 2022, the Board of Directors proposed a final dividend of $52.5 million representing 2.2 cents (7.9 fils) per share for the second half of the financial year 2021 bringing the total dividends per share to 4.3 cents (15.8 fils) per share for the year ended 31 December 2021. The dividend was approved by the shareholders at the annual general assembly held on 11 April 2022 and paid on 9 May 2022.

On 21 September 2022, the Company declared interim cash dividend of $53.5 million representing 2.2 cents (8.1 fils) per share for the financial year 2022. The dividend was paid on 14 October 2022.

During the nine months ended 30 September 2021, the Company paid total dividends of $132.5 million as follows:
i) $36 million representing $3.6 (AED 13.2) per fully paid share which was paid in April 2021 prior to the increase in the Company's share capital; and ii) $96.5 million representing 1.5 cents (5.4 fils) per fully paid share which is comprised of $44 million relating to the financial year 2020 and an interim dividend of $52.5 million relating to the financial year 2021, both of which were paid in July 2021.

17 Earnings per share

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Profit/(loss) for the period attributable to the Shareholders (in $'000)	(10,217)	13,197	35,144	43,296
Weighted average number of ordinary shares outstanding ('000)	2,439,770	2,439,770	2,439,770	2,439,770
Basic and diluted earnings per share (cents)	(0.42)	0.54	1.44	1.77
Basic and diluted earnings per share (fils)	(1.54)	1.99	5.29	6.52

18 Seasonality and cyclicality of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the nine months ended 30 September 2022 and 2021.

Al Yah Satellite Communications Company PJSC

Supplemental information to the condensed consolidated interim financial statements

for the nine months ended 30 September 2022

The condensed consolidated interim financial statements are presented in United States Dollars ("USD" or "$"), the functional currency of the Company and the presentation currency of the Group. The following selected supplemental information is presented in United Arab Emirates Dirhams (AED) solely for convenience. AED amounts have been translated at the rate of AED 3.6725 to USD 1, except for share capital and additional paid-in capital which are translated using historical rates. For the purpose of this translation, numbers have been rounded where necessary.

i) Condensed consolidated interim statement of profit or loss

	Three months ended		Nine months ended	
	2022	2021	2022	2021
	AED 000	AED 000	AED 000	AED 000
Revenue	400,365	345,619	1,155,310	1,044,070
Cost of revenue	(31,488)	(33,688)	(111,413)	(82,962)
Staff costs	(82,091)	(92,305)	(235,664)	(242,029)
Other operating expenses [(1)]	(42,810)	(19,236)	(120,153)	(97,263)
Other income	1,946	2,321	5,869	6,497
Adjusted EBITDA	**245,922**	**202,711**	**693,949**	**628,313**
Depreciation and amortisation	(132,779)	(140,818)	(396,788)	(410,688)
Fair value adjustment on investment property	-	-	2,938	(768)
Operating profit	**113,143**	**61,893**	**300,099**	**216,857**
Finance income	11,458	143	16,490	878
Finance costs	(9,115)	(7,973)	(21,995)	(55,363)
Net finance income/(costs)	**2,343**	**(7,830)**	**(5,505)**	**(54,485)**
Share of results of equity-accounted investments [(2)]	(159,699)	(12,160)	(183,812)	(22,622)
Profit/(loss) before income tax	**(44,213)**	**41,903**	**110,782**	**139,750**
Income tax (expense)/reversal	(180)	154	(444)	(283)
Profit/(loss) for the period	**(44,393)**	**42,057**	**110,338**	**139,467**
Losses (net) for the period attributable to non-controlling interests	(6,871)	(6,409)	(18,730)	(19,538)
Profit/(loss) for the period attributable to the Shareholders	**(37,522)**	**48,466**	**129,068**	**159,005**
Earnings per share				
Basic and diluted (fils per share)	(1.54)	1.99	5.29	6.52

[(1)] Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and nine months ended 30 September 2022, there was a net reversal of expected credit losses of AED 555 thousand and AED 3,232 thousand respectively. For the three months and nine months ended 30 September 2021, there was a net reversal of expected credit losses of AED 17,011 thousand and AED 8,829 thousand respectively.

[(2)] Share of results of equity-accounted investments include impairment loss of investment in an associate. For the three months and nine months ended 30 September 2022 there was an impairment charge of AED 149 million (for the three months and nine months ended 30 September 2021: nil).

ii) Condensed consolidated interim statement of comprehensive income

	Three months ended		Nine months ended	
	2022	2021	2022	2021
	AED 000	AED 000	AED 000	AED 000
Profit/(loss) for the period	**(44,393)**	**42,057**	**110,338**	**139,467**
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	50,592	22	162,589	(158)
Cash flow hedge - (gain)/loss reclassified to profit or loss	(8,759)	3,255	(3,610)	38,899
Foreign operations - currency translation differences	(10,437)	(33,714)	14,411	(18,170)
Total comprehensive income/(loss) for the period	**(12,997)**	**11,620**	**283,728**	**160,038**
Total comprehensive loss attributable to non-controlling interests	(6,905)	(6,449)	(18,679)	(19,537)
Total comprehensive income/(loss) attributable to the Shareholders	**(6,092)**	**18,069**	**302,407**	**179,575**

iii) Condensed consolidated interim statement of financial position

	30 September 2022 AED 000	31 December 2021 AED 000
Assets		
Property, plant and equipment	4,151,622	4,154,677
Investment property	76,520	74,298
Right-of-use assets	41,319	56,145
Intangible assets	28,785	36,093
Equity-accounted investments	240,934	426,756
Trade and other receivables	38,128	38,128
Derivative financial assets	145,306	11,789
Other investments	5,142	-
Deferred income tax assets	283	474
Total non-current assets	**4,728,039**	**4,798,360**
Inventories	26,306	21,532
Trade and other receivables	720,878	542,153
Derivative financial instruments	41,382	6,038
Income tax assets	668	687
Cash and short-term deposits*	2,318,578	1,470,006
Total current assets	**3,107,812**	**2,040,416**
Total assets	**7,835,851**	**6,838,776**
Liabilities		
Trade and other payables	620,983	302,074
Borrowings	443,932	230,152
Derivative financial instruments	-	709
Deferred revenue	333,915	99,113
Income tax liabilities	665	599
Total current liabilities	**1,399,495**	**632,647**
Trade and other payables	1,415,885	1,068,698
Borrowings	1,708,957	1,724,488
Provision for employees' end of service benefits	45,499	41,272
Total non-current liabilities	**3,170,341**	**2,834,458**
Total liabilities	**4,569,836**	**3,467,105**
Net assets	**3,266,015**	**3,371,671**
Equity		
Share capital	2,439,770	2,439,770
Hedging reserve	178,906	19,927
Statutory reserve	35,135	35,135
Translation reserve	(94,670)	(109,029)
Retained earnings	443,864	704,180
Equity attributable to the Shareholders	**3,003,005**	**3,089,983**
Non-controlling interests	263,010	281,688
Total equity	**3,266,015**	**3,371,671**

*Cash and short term deposits include cash and cash equivalents of AED 884,904 thousand (31 December 2021: AED 1,019,993 thousand).

iv) Condensed consolidated interim statement of changes in equity

	Attributable to the Shareholders							
	Share capital	Additional paid-in capital	Hedging reserve	Other Reserves [1]	Retained earnings	Total	Non-controlling interests	Total equity
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
At 1 January 2021	**10,000**	**2,429,770**	**(35,465)**	**(66,473)**	**954,652**	**3,292,484**	**306,988**	**3,599,472**
Profit/(loss) for the period	-	-	-	-	159,005	159,005	(19,538)	139,467
Other comprehensive income:								
Currency translation differences	-	-	-	(18,171)	-	(18,171)	1	(18,170)
Cash flow hedge - effective portion of changes in fair value	-	-	(158)	-	-	(158)	-	(158)
Cash flow hedge - loss reclassified to profit or loss	-	-	38,899	-	-	38,899	-	38,899
Other comprehensive income/(loss) for the period	**-**	**-**	**38,741**	**(18,171)**	**-**	**20,570**	**1**	**20,571**
Total comprehensive income/(loss) for the period	**-**	**-**	**38,741**	**(18,171)**	**159,005**	**179,575**	**(19,537)**	**160,038**
Conversion of additional paid-in capital to share capital	2,429,770	(2,429,770)	-	-	-	-	-	-
Transactions with the Shareholder:								
Dividends	-	-	-	-	(486,607)	(486,607)	-	(486,607)
At 30 September 2021	**2,439,770**	**-**	**3,276**	**(84,644)**	**627,050**	**2,985,452**	**287,451**	**3,272,903**
At 1 January 2022	**2,439,770**	**-**	**19,927**	**(73,894)**	**704,180**	**3,089,983**	**281,688**	**3,371,671**
Profit/(loss) for the period	-	-	-	-	129,068	129,068	(18,730)	110,338
Other comprehensive income:						-		-
Currency translation differences	-	-	-	14,359	-	14,359	52	14,411
Cash flow hedge - effective portion of changes in fair value	-	-	162,589	-	-	162,589	-	162,589
Cash flow hedge - gain reclassified to profit or loss	-	-	(3,610)	-	-	(3,610)	-	(3,610)
Other comprehensive income for the period	**-**	**-**	**158,979**	**14,359**	**-**	**173,338**	**52**	**173,390**
Total comprehensive income/(loss) for the period	**-**	**-**	**158,979**	**14,359**	**129,068**	**302,406**	**(18,678)**	**283,728**
Transactions with the Shareholders:								
Dividends	**-**	**-**	**-**	**-**	**(389,384)**	**(389,384)**	**-**	**(389,384)**
At 30 September 2022	**2,439,770**	**-**	**178,906**	**(59,535)**	**443,864**	**3,003,005**	**263,010**	**3,266,015**

[1] Other reserves include statutory reserve and translation reserve. As at 30 September 2022, statutory reserve and translation reserve had credit balance of AED 35,135 thousand and debit balance of AED 94,670 thousand respectively (30 September 2021: credit balance of AED 15,068 thousand and debit balance of AED 99,712 thousand respectively).

v) Condensed consolidated interim statement of cash flows

	2022 AED 000	2021 AED 000
Operating activities		
Profit before income tax	110,782	139,750
Adjustments for:		
Share of results of equity-accounted investments	183,812	22,623
Depreciation and amortisation	396,788	410,688
Reversal of expected credit losses	(3,232)	(8,829)
Loss allowance for inventories (reversal)	(37)	2,354
Fair value adjustment on investment property	(2,938)	768
Finance income	(16,490)	(878)
Finance costs	21,995	55,363
Gain on disposal of property, plant and equipment	-	(114)
Write-off of property, plant and equipment	92	-
Provision for employees' end of service benefits	5,839	5,791
Operating profit before working capital changes	**696,611**	**627,516**
Working capital changes:		
Trade and other receivables	(175,490)	(61,753)
Inventories	(4,738)	27,334
Trade and other payables	(38,198)	(79,454)
Deferred revenue	234,801	229,498
Employee end of service payments	(1,682)	(2,655)
Income tax paid	(169)	(786)
Net cash from operating activities	**711,135**	**739,700**
Investing activities		
Purchases of property, plant and equipment (including capital work in progress)	(395,958)	(392,179)
Additions to intangible assets	(3,291)	(709)
Return of investment in an associate	15,516	7,639
Investment in an associate	-	(36,284)
Acquisition of other investments	(5,142)	-
Receipt of short-term deposits with original maturity of over three months	175,002	340,701
Investments in short-term deposits with original maturity of over three months	(1,158,663)	-
Proceeds on disposal of property, plant and equipment	-	180
Interest received	16,490	878
Net cash used in investing activities	**(1,356,046)**	**(79,774)**
Financing activities		
Proceeds from borrowings	202,656	1,860,786
Transaction costs on borrowings paid	-	(59,832)
Repayment of term loans	-	(935,213)
Payment of lease liabilities	(18,498)	(15,516)
Interest paid	(34,812)	(15,274)
Advance payment received from a related party	550,952	-
Settlement of derivative financial instruments	-	(31,418)
Dividend paid to the Shareholders	(192,740)	(486,607)
Net cash from financing activities	**507,558**	**316,926**
Net (decrease)/increase in cash and cash equivalents	(137,353)	976,852
Net foreign exchange difference	2,264	716
Cash and cash equivalents at the beginning of the period	1,019,993	385,300
Cash and cash equivalents as at the end of the period	**884,904**	**1,362,868**