

**Al Yah Satellite Communications Company PJSC**

**Condensed consolidated interim financial statements**

For the three months ended 31 March 2022

**Al Yah Satellite Communications Company PJSC****Condensed consolidated interim financial statements**

For the three months ended 31 March 2022



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**Al Yah Satellite Communications Company PJSC****Board of Directors' Report**

31 March 2022



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 three months ended 31 March 2022.

**Principal activity**

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 three months ended 31 March 2022, the Group reported revenue of \$98,695 thousand (31 March 2021: \$90,215 thousand) and profit for the period attributable to its shareholders of \$20,092 thousand (31 March 2021: \$15,898 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 13 of the condensed consolidated interim financial statements.

**Directors**

Musabbbeh 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 three months ended 31 March 2022 have been reviewed by KPMG Lower Gulf Limited.

**On behalf of the Board of Directors**

DocuSigned by:

**Chairman of the Board**  
**Musabbbeh Al Kaabi**

Date: 10 May 2022



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# 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 31 March 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 31 March 2022;
- the condensed consolidated interim statement of profit or loss for the three months ended 31 March 2022;
- the condensed consolidated interim statement of comprehensive income for the three months ended 31 March 2022;
- the condensed consolidated interim statement of changes in equity for the three months ended 31 March 2022;
- the condensed consolidated interim statement of cash flows for the three months ended 31 March 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 31 March 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: 10 May 2022

**Al Yah Satellite Communications Company PJSC**  
**Condensed consolidated interim statement of profit or loss**  
for the three months ended 31 March 2022



	Notes	2022 \$ 000	2021 \$ 000
<b>Revenue</b>	4	98,695	90,215
Cost of revenue		(10,059)	(4,911)
Staff costs		(21,050)	(19,992)
Other operating expenses <sup>(1)</sup>		(10,008)	(11,330)
Other income		535	428
<b>Adjusted EBITDA <sup>(2)</sup></b>		<b>58,113</b>	<b>54,410</b>
Depreciation and amortisation		(35,889)	(37,011)
<b>Operating profit</b>		<b>22,224</b>	<b>17,399</b>
Finance income		575	165
Finance costs		(1,317)	(3,137)
<b>Net Finance costs</b>		<b>(742)</b>	<b>(2,972)</b>
Share of results of equity-accounted investments	6	(2,898)	(306)
<b>Profit before income tax</b>		<b>18,584</b>	<b>14,121</b>
Income tax expense		(34)	(48)
<b>Profit for the period</b>		<b>18,550</b>	<b>14,073</b>
Losses (net) for the period attributable to non-controlling interests		(1,542)	(1,825)
<b>Profit for the period attributable to the Shareholders</b>		<b>20,092</b>	<b>15,898</b>
<b>Earnings per share</b>			
Basic and diluted (cents per share)	16	0.82	0.65

<sup>(1)</sup> Other operating expenses include impairment loss on trade receivables and contract assets. For the three months ended 31 March 2022, the net impairment was negative (net credit) of \$398 thousand. For the three months ended 31 March 2021, the net impairment was a charge of \$1,380 thousand.

<sup>(2)</sup> 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.

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**  
for the three months ended 31 March 2022



	2022 \$ 000	2021 \$ 000
<b>Profit for the period</b>	<b>18,550</b>	<b>14,073</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Cash flow hedge - effective portion of changes in fair value	20,617	(2,361)
Cash flow hedge - loss reclassified to profit or loss	941	2,380
Foreign operations - currency translation differences	16,867	(9,454)
<b>Total comprehensive income for the period</b>	<b>56,975</b>	<b>4,638</b>
Total comprehensive loss attributable to non-controlling interests	(1,510)	(1,817)
<b>Total comprehensive income attributable to the Shareholders</b>	<b>58,485</b>	<b>6,455</b>

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**



		31 March 2022 \$ 000	31 December 2021 \$ 000
	Notes		
<b>Assets</b>			
Property, plant and equipment	5	1,134,402	1,131,294
Investment property		20,231	20,231
Right-of-use assets		13,945	15,288
Intangible assets		9,269	9,828
Equity-accounted investments	6	129,967	116,203
Trade and other receivables	7	10,382	10,382
Derivative financial instruments		18,772	3,210
Deferred income tax assets		158	129
<b>Total non-current assets</b>		<b>1,337,126</b>	<b>1,306,565</b>
Inventories		6,412	5,863
Trade and other receivables	7	162,497	147,625
Derivative financial instruments		6,698	1,644
Income tax assets		186	187
Cash and short-term deposits*	8	478,195	400,274
<b>Total current assets</b>		<b>653,988</b>	<b>555,593</b>
<b>Total assets</b>		<b>1,991,114</b>	<b>1,862,158</b>
<b>Liabilities</b>			
Trade and other payables	9	76,802	82,253
Borrowings	10	62,214	62,669
Derivative financial instruments		192	193
Deferred revenue	11	89,099	26,988
Income tax liabilities		94	163
<b>Total current liabilities</b>		<b>228,401</b>	<b>172,266</b>
Trade and other payables	9	272,399	291,000
Borrowings	10	503,424	469,568
Provision for employees' end of service benefits		11,829	11,238
<b>Total non-current liabilities</b>		<b>787,652</b>	<b>771,806</b>
<b>Total liabilities</b>		<b>1,016,053</b>	<b>944,072</b>
<b>Net assets</b>		<b>975,061</b>	<b>918,086</b>
<b>Equity</b>			
Share capital		664,334	664,334
Hedging reserve		26,984	5,426
Statutory reserve		9,567	9,567
Translation reserve		(12,852)	(29,687)
Retained earnings		211,836	191,744
<b>Equity attributable to the Shareholders</b>		<b>899,869</b>	<b>841,384</b>
Non-controlling interests		75,192	76,702
<b>Total equity</b>		<b>975,061</b>	<b>918,086</b>

\*Cash and short term deposits include cash and cash equivalents of \$335,659 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 10 May 2022 and approved on their behalf by:

DocuSigned by:  
  
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**Chairman of the Board**  
**Musabbah Al Kaabi**

DocuSigned by:  
  
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**Chief Executive Officer**  
**Ali Hashem Al Hashemi**

DocuSigned by:  
  
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**Chief Financial Officer**  
**Andrew Francis Cole**

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

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 three months ended 31 March



Attributable to the Shareholders

	Share capital \$ 000	Additional paid-in capital \$ 000	Hedging reserve \$ 000	Statutory reserve \$ 000	Translation reserve \$ 000	Other Reserves <sup>(1)</sup> \$ 000	Retained earnings \$ 000	Total \$ 000	Non-controlling interests \$ 000	Total equity \$ 000
<b>At 1 January 2021</b>	<b>2,722</b>	<b>661,612</b>	<b>(9,657)</b>	<b>4,103</b>	<b>(22,202)</b>	<b>(18,099)</b>	<b>259,946</b>	<b>896,524</b>	<b>83,591</b>	<b>980,115</b>
Profit/(loss) for the period	-	-	-	-	-	-	15,898	15,898	(1,825)	14,073
Other comprehensive income:										
Currency translation differences	-	-	-	-	(9,462)	(9,462)	-	(9,462)	8	(9,454)
Cash flow hedge - effective portion of changes in fair value	-	-	(2,361)	-	-	-	-	(2,361)	-	(2,361)
Cash flow hedge - loss reclassified to profit or loss	-	-	2,380	-	-	-	-	2,380	-	2,380
<b>Other comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>(9,462)</b>	<b>(9,462)</b>	<b>-</b>	<b>(9,443)</b>	<b>8</b>	<b>(9,435)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>(9,462)</b>	<b>(9,462)</b>	<b>15,898</b>	<b>6,455</b>	<b>(1,817)</b>	<b>4,638</b>
<b>At 31 March 2021</b>	<b>2,722</b>	<b>661,612</b>	<b>(9,638)</b>	<b>4,103</b>	<b>(31,664)</b>	<b>(27,561)</b>	<b>275,844</b>	<b>902,979</b>	<b>81,774</b>	<b>984,753</b>
<b>At 1 January 2022</b>	<b>664,334</b>	<b>-</b>	<b>5,426</b>	<b>9,567</b>	<b>(29,687)</b>	<b>(20,120)</b>	<b>191,744</b>	<b>841,384</b>	<b>76,702</b>	<b>918,086</b>
Profit/(loss) for the period	-	-	-	-	-	-	20,092	20,092	(1,542)	18,550
Other comprehensive income:										
Currency translation differences	-	-	-	-	16,835	16,835	-	16,835	32	16,867
Cash flow hedge - effective portion of changes in fair value	-	-	20,617	-	-	-	-	20,617	-	20,617
Cash flow hedge - loss reclassified to profit or loss	-	-	941	-	-	-	-	941	-	941
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>21,558</b>	<b>-</b>	<b>16,835</b>	<b>16,835</b>	<b>-</b>	<b>38,393</b>	<b>32</b>	<b>38,425</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>21,558</b>	<b>-</b>	<b>16,835</b>	<b>16,835</b>	<b>20,092</b>	<b>58,485</b>	<b>(1,510)</b>	<b>56,975</b>
<b>At 31 March 2022</b>	<b>664,334</b>	<b>-</b>	<b>26,984</b>	<b>9,567</b>	<b>(12,852)</b>	<b>(3,285)</b>	<b>211,836</b>	<b>899,869</b>	<b>75,192</b>	<b>975,061</b>

<sup>(1)</sup> Other reserves include translation reserve and statutory reserve.

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 cash flows**  
for the three months ended 31 March



	Notes	2022 \$ 000	2021 \$ 000
<b>Operating activities</b>			
Profit before income tax		18,584	14,121
Adjustments for:			
Share of results of equity-accounted investments		2,898	306
Depreciation and amortisation		35,889	37,011
Allowance for expected credit losses (reversal)		(398)	1,380
Loss allowance for inventories		7	202
Finance income		(575)	(165)
Finance costs		1,317	3,137
Gain on disposal of property, plant and equipment		-	(31)
Write-off of property, plant and equipment		18	-
Provision for employees' end of service benefits		609	473
<b>Operating profit before working capital changes</b>		<b>58,349</b>	<b>56,434</b>
Working capital changes:			
Trade and other receivables		(14,474)	(6,921)
Inventories		(556)	155
Trade and other payables		(9,976)	(14,844)
Deferred revenue		62,111	61,112
Employee end of service payments		(54)	(598)
Income tax paid		(131)	(90)
<b>Net cash from operating activities</b>		<b>95,269</b>	<b>95,248</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment (including capital work in progress)		(48,254)	(28,140)
Additions to intangible assets		(379)	(15)
Investment in an associate		-	(5,400)
Receipt of short-term deposits with original maturity of over three months		-	100,000
Investments in short-term deposits with original maturity of over three months		(20,000)	-
Proceeds on disposal of property, plant and equipment		-	49
Interest received		575	165
<b>Net cash (used in)/from investing activities</b>		<b>(68,058)</b>	<b>66,659</b>
<b>Financing activities</b>			
Proceeds from borrowings		34,851	-
Repayment of term loans		-	(1,064)
Payment of lease liabilities		(2,636)	(2,080)
Interest paid		(1,445)	(2,415)
<b>Net cash from/(used in) financing activities</b>		<b>30,770</b>	<b>(5,559)</b>
<b>Net increase in cash and cash equivalents</b>		<b>57,981</b>	<b>156,348</b>
Net foreign exchange difference		(60)	118
Cash and cash equivalents at the beginning of the period		277,738	104,915
<b>Cash and cash equivalents as at the end of the period</b>		<b>335,659</b>	<b>261,381</b>

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**  
**Notes to the condensed consolidated interim financial statements**  
for the three months ended 31 March 2022



## 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 three months ended 31 March 2022, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015, as amended. Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended). The Group has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021.

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 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.

### 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.

**Al Yah Satellite Communications Company PJSC**  
**Notes to the condensed consolidated interim financial statements**  
for the three months ended 31 March 2022



## 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.

#### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

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.

**Al Yah Satellite Communications Company PJSC**  
**Notes to the condensed consolidated interim financial statements**  
for the three months ended 31 March 2022



### 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 'reconciliations'.

Capital expenditure includes additions during the period to property, plant and equipment, capital work in progress, 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 three months ended 31 March 2022 is as follows:

	Infra-structure	Managed solutions	Mobility solutions	Data solutions (BCS)	Other	Reconciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	59,288	15,191	18,469	5,747	-	-	98,695
Inter-segment revenue	910	199	64	200	-	(1,373)	-
<b>Total revenue</b>	<b>60,198</b>	<b>15,390</b>	<b>18,533</b>	<b>5,947</b>	<b>-</b>	<b>(1,373)</b>	<b>98,695</b>
<b>Adjusted EBITDA</b>	<b>46,232</b>	<b>6,281</b>	<b>5,866</b>	<b>(266)</b>	<b>-</b>	<b>-</b>	<b>58,113</b>
Depreciation and amortisation	(22,738)	(40)	(4,733)	(8,378)	-	-	(35,889)
Finance income	1,185	-	7	501	-	(1,118)	575
Finance costs	(2,232)	-	(185)	(18)	-	1,118	(1,317)
Share of results - HPE	-	-	-	-	(3,588)	-	(3,588)
Share of results - Al Maisan	-	-	-	-	690	-	690
Income tax expense	-	-	-	(34)	-	-	(34)
<b>Profit/(loss) for the period</b>	<b>22,447</b>	<b>6,241</b>	<b>955</b>	<b>(8,195)</b>	<b>(2,898)</b>	<b>-</b>	<b>18,550</b>
Losses (net) for the period attributable to non-controlling interests	-	-	97	(1,639)	-	-	(1,542)
<b>Profit for the period attributable to the Shareholders</b>	<b>22,447</b>	<b>6,241</b>	<b>858</b>	<b>(6,556)</b>	<b>(2,898)</b>	<b>-</b>	<b>20,092</b>
Capital expenditure	33,195	13	2,740	874	-	-	36,822

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### 3 Segment information (continued)

The segment information for the three months ended 31 March 2021 is as follows:

	Infra-structure	Managed solutions	Mobility solutions	Data solutions (BCS)	Other	Reconciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	59,956	12,053	12,702	5,504	-	-	90,215
Inter-segment revenue	270	-	-	317	-	(587)	-
<b>Total revenue</b>	<b>60,226</b>	<b>12,053</b>	<b>12,702</b>	<b>5,821</b>	<b>-</b>	<b>(587)</b>	<b>90,215</b>
<b>Adjusted EBITDA</b>	<b>46,190</b>	<b>4,271</b>	<b>4,531</b>	<b>(582)</b>	<b>-</b>	<b>-</b>	<b>54,410</b>
Depreciation and amortisation	(22,842)	(26)	(5,853)	(8,290)	-	-	(37,011)
Finance income	133	-	2	655	-	(625)	165
Finance costs	(3,439)	-	(267)	(56)	-	625	(3,137)
Share of results - HPE	-	-	-	-	(566)	-	(566)
Share of results - AI Maisan	-	-	-	-	260	-	260
Income tax expense	-	-	(9)	(39)	-	-	(48)
<b>Profit/(loss) for the period</b>	<b>20,042</b>	<b>4,245</b>	<b>(1,596)</b>	<b>(8,312)</b>	<b>(306)</b>	<b>-</b>	<b>14,073</b>
Losses (net) for the period attributable to non-controlling interests	-	-	(163)	(1,662)	-	-	(1,825)
<b>Profit for the period attributable to the Shareholders</b>	<b>20,042</b>	<b>4,245</b>	<b>(1,433)</b>	<b>(6,650)</b>	<b>(306)</b>	<b>-</b>	<b>15,898</b>
Capital expenditure	34,262	-	138	1,003	-	-	35,403

#### 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 13.

	Three months ended 31 March	
	2022	2021
	\$ 000	\$ 000
United Arab Emirates	83,672	75,814
Europe	4,806	5,659
Asia	4,150	4,034
Africa	4,653	2,697
North America	1,132	1,813
Others	282	198
<b>Revenue</b>	<b>98,695</b>	<b>90,215</b>

**Al Yah Satellite Communications Company PJSC**
**Notes to the condensed consolidated interim financial statements**

for the three months ended 31 March 2022

**4 Revenue**

	Notes	Three months ended 31 March	
		2022 \$ 000	2021 \$ 000
Services rendered		92,338	89,258
Sale of equipment and accessories		6,357	957
		<b>98,695</b>	<b>90,215</b>
Revenue from related parties is disclosed in Note 13.			
<b>Revenue includes:</b>			
Revenue from contracts with customers (IFRS 15)		65,889	56,780
Income from operating leases (IFRS 16)		32,806	33,435
		<b>98,695</b>	<b>90,215</b>
<b>Disaggregation of revenue by operating segment:</b>			
Services rendered:			
Infrastructure		59,288	59,956
Managed solutions		15,191	12,053
Data solutions - BCS		5,572	5,461
Mobility solutions		12,287	11,788
Sale of equipment and accessories (recognised at a point in time)			
Data solutions - BCS		175	43
Mobility solutions		6,182	914
	3	<b>98,695</b>	<b>90,215</b>
<b>Timing of recognition of revenue from contracts with customers:</b>			
Over time		59,532	55,823
At a point in time		6,357	957
		<b>65,889</b>	<b>56,780</b>

Revenue by geography is disclosed in note 3.

	Notes	31 March 2022 \$ 000	31 December 2021 \$ 000
<b>Contract balances (IFRS 15)</b>			
Trade receivables, net of loss allowance	7	113,766	110,651
Contract assets	7	18,068	17,836
Contract liabilities:			
Advances from a related party		128,040	128,040
Advances from other customers	9	1,354	1,592
Deferred revenue	11	56,159	26,988

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**5 Property, plant and equipment**

	31 March 2022 \$ 000	31 December 2021 \$ 000
Notes		
At the beginning of the period/year	1,131,294	1,116,534
Additions	36,443	154,466
Depreciation	(33,602)	(139,307)
Disposal	-	(18)
Exchange differences	285	(243)
Transfer to intangible assets	-	(133)
Write-off	(18)	(5)
<b>At the end of the period/year</b>	<b>1,134,402</b>	<b>1,131,294</b>

Capital work in progress included in property, plant and equipment as of the end of the reporting period comprise mainly of satellite systems.

Additions during the period mainly relate to the Thuraya 4 satellite (T4-NGS) under construction amounting to \$32.8 million. The cumulative cost of T4-NGS as of 31 March 2022 amounted to \$251.2 million (31 December 2021: \$218.4 million).

Additions to property, plant and equipment during the three months ended 31 March 2021 amounted to \$35.4 million of which additions to capital work in progress amounted to \$33.8 million.

**6 Equity-accounted investments**

	31 March 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	-	(2,080)
Share of results for the period/year	(2,898)	(9,589)
Exchange differences	16,662	(7,582)
<b>At the end of the period/year</b>	<b>129,967</b>	<b>116,203</b>
of which Investment in HPE	109,092	96,018
of which Investment in Al Maisan	20,875	20,185

Share of results for the three months ended 31 March 2021 was a loss of \$306 thousand (also refer to note 3).

**7 Trade and other receivables**

	31 March 2022 \$ 000	31 December 2021 \$ 000
Trade receivables	134,075	131,843
Allowance for expected credit losses	(20,309)	(21,192)
<b>Trade receivables, net of allowance</b>	<b>113,766</b>	<b>110,651</b>
Contract assets - accrued income	18,068	17,836
Prepayments - orbital services	10,000	10,000
Prepayments - others	8,893	2,686
Advances	16,194	11,378
Other receivables, net of allowance	5,958	5,456
<b>Total trade and other receivables</b>	<b>172,879</b>	<b>158,007</b>
of which non-current	10,382	10,382
of which current	162,497	147,625



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for the three months ended 31 March 2022

**8 Cash and short term deposits**

	31 March 2022 \$ 000	31 December 2021 \$ 000
Cash on hand and in banks	135,659	277,738
Short-term deposits with banks	212,536	122,536
Short-term deposits with related parties	130,000	-
<b>Cash and short-term deposits</b>	<b>478,195</b>	<b>400,274</b>
Less: Short-term deposits with original maturities of over three months	(142,536)	(122,536)
<b>Cash and cash equivalents</b>	<b>335,659</b>	<b>277,738</b>

During the period, the Group placed \$130,000 thousand short-term deposits with related parties and placed \$90,000 thousand as deposits with banks.

**9 Trade and other payables**

	31 March 2022 \$ 000	31 December 2021 \$ 000
Trade payables	20,345	38,081
Accruals	31,816	31,886
Advance from a related party	291,000	291,000
Advances from other customers	1,354	1,592
Other payables	4,686	10,694
<b>Total trade and other payables</b>	<b>349,201</b>	<b>373,253</b>
of which non-current	272,399	291,000
of which current	76,802	82,253

**10 Borrowings**

	31 March 2022 \$ 000	31 December 2021 \$ 000
<b>The carrying amount of borrowings are as follows:</b>		
A) Term loans:		
Principal amounts	568,129	532,819
Unamortised transaction costs	(16,593)	(17,118)
Term loans - net of unamortised transaction costs	<b>551,536</b>	<b>515,701</b>
B) Lease liabilities	14,102	16,536
<b>Total borrowings</b>	<b>565,638</b>	<b>532,237</b>
of which current	62,214	62,669
of which non-current	503,424	469,568

**Al Yah Satellite Communications Company PJSC**
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**10 Borrowings (continued)**
**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
<b>At 31 March 2022</b>				
Term loan 5	2022-2026	400,000	(3,904)	396,096
Term loan 6	2024-2032	168,129	(12,689)	155,440
		<b>568,129</b>	<b>(16,593)</b>	<b>551,536</b>
<b>At 31 December 2021</b>				
Term loan 5	2022-2026	400,000	(4,135)	395,865
Term loan 6	2024-2032	132,819	(12,983)	119,836
		<b>532,819</b>	<b>(17,118)</b>	<b>515,701</b>

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

	31 March 2022 \$ 000	31 December 2021 \$ 000
<b>The movements in term loans are as follows:</b>		
At the beginning of the period/year	515,701	252,972
Additions (cash)	34,851	532,819
Additions (interest capitalised)	458	-
Transaction costs	-	(18,043)
Amortisation of transaction costs	526	3,670
Payments	-	(255,717)
<b>At the end of the period/year</b>	<b>551,536</b>	<b>515,701</b>

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

	Term loan 5 \$ 000	Term loan 6 \$ 000	Total \$ 000
<b>At 31 March 2022</b>			
Within one year	60,000	-	60,000
1 - 2 years	120,000	-	120,000
2 - 5 years	220,000	49,450	269,450
Beyond 5 years	-	118,679	118,679
	<b>400,000</b>	<b>168,129</b>	<b>568,129</b>
<b>At 31 December 2021</b>			
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
	<b>400,000</b>	<b>132,819</b>	<b>532,819</b>

## Al Yah Satellite Communications Company PJSC

### Notes to the condensed consolidated interim financial statements

for the three months ended 31 March 2022

#### 10 Borrowings (continued)

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 tenor 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 \$34.9 million was drawn from this facility (year ended 31 December 2021: \$132.8 million). As of 31 March 2022, the unutilised facility amounted to 132.4 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 three months ended 31 March 2021, there were no addition to term loans. However, repayments of \$3.1m were made.

#### B) Lease liabilities

	31 March 2022 \$ 000	31 December 2021 \$ 000
<b>The movements in lease liabilities are as follows:</b>		
At the beginning of the period/year	16,536	19,797
Accretion of interest	202	973
Payments	(2,636)	(4,254)
Additions	-	20
<b>At the end of the period/year</b>	<b>14,102</b>	<b>16,536</b>

#### 11 Deferred revenue

	31 March 2022 \$ 000	31 December 2021 \$ 000
Deferred revenue relating to a capacity services contract with a related party*	58,921	-
Unutilized airtime balances from prepaid scratch cards (IFRS 15)	18,171	18,001
Others (IFRS 15)	12,007	8,987
<b>Total deferred revenue</b>	<b>89,099</b>	<b>26,988</b>

\*As of 31 March 2022, contract liabilities (IFRS 15) included within the deferred revenue relating to a capacity services contract with a related party amounted to \$25,981 thousand (31 December 2021: Nil). The remaining amount relates to leases (IFRS 16).

#### 12 Capital commitments and contingent liabilities

	31 March 2022 \$ 000	31 December 2021 \$ 000
Capital commitments - committed and contracted	253,787	259,305
Contingent liabilities - performance bonds provided by banks in the normal course of business	33,360	30,956

Capital commitments mainly relates to T4-NGS project.

**Al Yah Satellite Communications Company PJSC**  
**Notes to the condensed consolidated interim financial statements**  
 for the three months ended 31 March 2022

**13 Related party transactions**

	Three months ended 31 March	
	2022	2021
Transaction with related parties	\$ 000	\$ 000
<b>Revenue</b>		
Entities under common control*	71,538	68,919
Associate	366	343
Total	<b>71,904</b>	<b>69,262</b>
<b>Interest income on short term deposits</b>		
Entities under common control	57	161
<b>Interest expense on term loans</b>		
Entities under common control	1,289	911
<b>Outsourced expenses, office lease rent, systems support</b>		
Entities under common control	301	175
<b>Cost of sales</b>		
Entities under common control	33	138
Associate	231	797
Total	<b>264</b>	<b>935</b>
<b>Key management personnel compensation</b>		
Short term employment benefits	1,173	969
Post-employment benefits	96	71

\* Revenue from entities under common control includes \$67.3 million (three months ended 31 March 2021: \$67.8 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.

**14 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 is no significant change in the fair value of investment property since the last evaluation carried out at 31 December 2021.

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.

**15 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 proposed dividend was approved by the shareholders at the annual general assembly held on 11 April 2022.

The Company did not distribute any dividend during the period ended 31 March 2021.

**Al Yah Satellite Communications Company PJSC**
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for the three months ended 31 March 2022

**16 Earnings per share**

	Three months ended 31 March	
	2022	2021
Profit for the period attributable to the Shareholder (in \$'000)	20,092	15,898
Weighted average number of ordinary shares outstanding ('000)	2,439,770	2,439,770
Basic and diluted earnings per share (cents)	0.82	0.65
Basic and diluted earnings per share (fils)	3.02	2.39

On 17 June 2021, the Company's share capital increased from AED 10,000,000 to AED 2,439,770,265 by conversion of additional paid-in capital into share capital. As the increase in the number of shares outstanding did not have a corresponding change in resources, the number of shares for March 2021 have been adjusted for the purpose of calculating the weighted average number of ordinary shares.

**17 Seasonality and cyclicity of interim operations**

There are no items of seasonal or cyclical nature in the interim operations during the period ended 31 March 2022 and 2021.

**Al Yah Satellite Communications Company PJSC****Supplemental information to the condensed consolidated interim financial statements**

for the three months ended 31 March 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**

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED 000</b>	<b>AED 000</b>
<b>Revenue</b>	362,457	331,315
Cost of revenue	(36,942)	(18,036)
Staff costs	(77,306)	(73,421)
Other operating expenses <sup>(1)</sup>	(36,754)	(41,609)
Other income	1,965	1,572
<b>Adjusted EBITDA</b>	<b>213,420</b>	<b>199,821</b>
Depreciation and amortisation	(131,802)	(135,923)
<b>Operating profit</b>	<b>81,618</b>	<b>63,898</b>
Finance income	2,112	606
Finance costs	(4,837)	(11,521)
<b>Net Finance costs</b>	<b>(2,725)</b>	<b>(10,915)</b>
Share of results of equity-accounted investments	(10,643)	(1,124)
<b>Profit before income tax</b>	<b>68,250</b>	<b>51,859</b>
Income tax expense	(125)	(176)
<b>Profit for the period</b>	<b>68,125</b>	<b>51,683</b>
Loss for the period attributable to non-controlling interests	(5,663)	(6,702)
<b>Profit for the period attributable to the Shareholders</b>	<b>73,788</b>	<b>58,385</b>
<b>Earnings per share</b>		
Basic and diluted ( fils per share)	3.02	2.39

<sup>(1)</sup> Other operating expenses include impairment loss on trade receivables and contract assets. For the three months ended 31 March 2022, the net impairment was negative (net credit) of AED 1,462 thousand. For the three months ended 31 March 2021, the net impairment was a charge of AED 5,068 thousand.

**Al Yah Satellite Communications Company PJSC****Supplemental information to the condensed consolidated interim financial statements**

for the three months ended 31 March 2022

**ii) Condensed consolidated interim statement of comprehensive income**

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED 000</b>	<b>AED 000</b>
<b>Profit for the period</b>	<b>68,125</b>	<b>51,683</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Cash flow hedge - effective portion of changes in fair value	75,716	(8,671)
Cash flow hedge - loss reclassified to profit or loss	3,456	8,741
Foreign operations - currency translation differences	61,944	(34,720)
<b>Total comprehensive income for the period</b>	<b>209,241</b>	<b>17,033</b>
Total comprehensive loss attributable to non-controlling interests	(5,546)	(6,673)
<b>Total comprehensive income attributable to the Shareholders</b>	<b>214,787</b>	<b>23,706</b>

**AI Yah Satellite Communications Company PJSC****Supplemental information to the condensed consolidated interim financial statements**

for the three months ended 31 March 2022

**iii) Condensed consolidated interim statement of financial position**

	<b>31 March 2022 AED 000</b>	<b>31 December 2021 AED 000</b>
<b>Assets</b>		
Property, plant and equipment	4,166,091	4,154,677
Investment property	74,298	74,298
Right-of-use assets	51,213	56,145
Intangible assets	34,040	36,093
Equity-accounted investments	477,304	426,756
Trade and other receivables	38,129	38,128
Derivative financial assets	68,940	11,789
Deferred income tax assets	580	474
<b>Total non-current assets</b>	<b>4,910,595</b>	<b>4,798,360</b>
Inventories	23,548	21,532
Trade and other receivables	596,770	542,153
Derivative financial assets	24,598	6,038
Income tax assets	684	686
Cash and short-term deposits*	1,756,171	1,470,006
<b>Total current assets</b>	<b>2,401,771</b>	<b>2,040,415</b>
<b>Total assets</b>	<b>7,312,366</b>	<b>6,838,775</b>
<b>Liabilities</b>		
Trade and other payables	282,055	302,074
Borrowings	228,481	230,152
Derivative financial instruments	705	709
Deferred revenue	327,216	99,113
Income tax liabilities	346	599
<b>Total current liabilities</b>	<b>838,803</b>	<b>632,647</b>
Trade and other payables	1,000,384	1,068,698
Borrowings	1,848,825	1,724,488
Provision for employees' end of service benefits	43,442	41,272
<b>Total non-current liabilities</b>	<b>2,892,651</b>	<b>2,834,458</b>
<b>Total liabilities</b>	<b>3,731,454</b>	<b>3,467,105</b>
<b>Net assets</b>	<b>3,580,912</b>	<b>3,371,670</b>
<b>Equity</b>		
Share capital	2,439,770	2,439,770
Hedging reserve	99,099	19,927
Statutory reserve	35,135	35,135
Translation reserve	(47,202)	(109,029)
Retained earnings	777,968	704,180
<b>Equity attributable to the Shareholders</b>	<b>3,304,770</b>	<b>3,089,983</b>
Non-controlling interests	276,142	281,688
<b>Total equity</b>	<b>3,580,912</b>	<b>3,371,671</b>

\*Cash and short term deposits include cash and cash equivalents of AED 1,232,708 thousand (31 December 2021: AED 1,019,993 thousand).



**Al Yah Satellite Communications Company PJSC****Supplemental information to the condensed consolidated interim financial statements**

for the three months ended 31 March 2022

**iv) Condensed consolidated interim statement of changes in equity**

	Attributable to the Shareholders						Non-controlling interests AED 000	Total equity AED 000
	Share capital	Additional paid-in capital	Hedging reserve	Other Reserves <sup>(1)</sup>	Retained earnings	Total		
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000		
<b>At 1 January 2021</b>	<b>10,000</b>	<b>2,429,770</b>	<b>(35,465)</b>	<b>(66,473)</b>	<b>954,652</b>	<b>3,292,484</b>	<b>306,988</b>	<b>3,599,472</b>
Profit/(loss) for the period	-	-	-	-	58,385	58,385	(6,702)	51,683
Other comprehensive income:								
Currency translation differences	-	-	-	(34,749)	-	(34,749)	29	(34,720)
Cash flow hedge - effective portion of changes in fair value	-	-	(8,671)	-	-	(8,671)	-	(8,671)
Cash flow hedge - loss reclassified to profit or loss	-	-	8,741	-	-	8,741	-	8,741
<b>Other comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>(34,749)</b>	<b>-</b>	<b>(34,679)</b>	<b>29</b>	<b>(34,650)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>(34,749)</b>	<b>58,385</b>	<b>23,706</b>	<b>(6,673)</b>	<b>17,033</b>
<b>At 31 March 2021</b>	<b>10,000</b>	<b>2,429,770</b>	<b>(35,395)</b>	<b>(101,222)</b>	<b>1,013,037</b>	<b>3,316,190</b>	<b>300,315</b>	<b>3,616,505</b>
<b>At 1 January 2022</b>	<b>2,439,770</b>	<b>-</b>	<b>19,927</b>	<b>(73,894)</b>	<b>704,180</b>	<b>3,089,983</b>	<b>281,688</b>	<b>3,371,671</b>
Profit/(loss) for the period	-	-	-	-	73,788	73,788	(5,663)	68,125
Other comprehensive income:								
Currency translation differences	-	-	-	61,827	-	61,827	117	61,944
Cash flow hedge - effective portion of changes in fair value	-	-	75,716	-	-	75,716	-	75,716
Cash flow hedge - loss reclassified to profit or loss	-	-	3,456	-	-	3,456	-	3,456
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>79,172</b>	<b>61,827</b>	<b>-</b>	<b>140,999</b>	<b>117</b>	<b>141,116</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>79,172</b>	<b>61,827</b>	<b>73,788</b>	<b>214,787</b>	<b>(5,546)</b>	<b>209,241</b>
<b>At 31 March 2022</b>	<b>2,439,770</b>	<b>-</b>	<b>99,099</b>	<b>(12,067)</b>	<b>777,968</b>	<b>3,304,770</b>	<b>276,142</b>	<b>3,580,912</b>

<sup>(1)</sup> Other reserves include translation reserve and statutory reserve.

**Al Yah Satellite Communications Company PJSC****Supplemental information to the condensed consolidated interim financial statements**

for the three months ended 31 March

**v) Condensed consolidated interim statement of cash flows**

	2022 AED 000	2021 AED 000
<b>Operating activities</b>		
Profit before income tax	68,250	51,859
Adjustments for:		
Share of results of equity-accounted investments	10,643	1,124
Depreciation and amortisation	131,802	135,923
Allowance for expected credit losses	(1,462)	5,068
Loss allowance for inventories	26	742
Finance income	(2,112)	(606)
Finance costs	4,837	11,521
Gain on disposal of property, plant and equipment	-	(114)
Write-off of property, plant and equipment	66	-
Provision for employees' end of service benefits	2,237	1,737
<b>Operating profit before working capital changes</b>	<b>214,287</b>	<b>207,254</b>
Working capital changes:		
Trade and other receivables	(53,156)	(25,417)
Inventories	(2,042)	569
Trade and other payables	(36,637)	(54,515)
Deferred revenue	228,103	224,434
Employee end of service payments	(198)	(2,196)
Income tax paid	(481)	(331)
<b>Net cash from operating activities</b>	<b>349,876</b>	<b>349,798</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment (including capital work in progress)	(177,213)	(103,344)
Additions to intangible assets	(1,392)	(55)
Investment in an associate	-	(19,832)
Receipt of short-term deposits with original maturity of over three months	-	367,250
Investments in short-term deposits with original maturity of over three months	(73,450)	-
Proceeds on disposal of property, plant and equipment	-	180
Interest received	2,112	606
<b>Net cash (used in)/from investing activities</b>	<b>(249,943)</b>	<b>244,805</b>
<b>Financing activities</b>		
Proceeds from borrowings	127,990	-
Repayment of term loans	-	(3,908)
Payment of lease liabilities	(9,681)	(7,639)
Interest paid	(5,307)	(8,869)
<b>Net cash from/(used in) financing activities</b>	<b>113,002</b>	<b>(20,416)</b>
<b>Net increase in cash and cash equivalents</b>	<b>212,935</b>	<b>574,187</b>
Net foreign exchange difference	(220)	435
Cash and cash equivalents at the beginning of the period	1,019,993	385,300
<b>Cash and cash equivalents as at the end of the period</b>	<b>1,232,708</b>	<b>959,922</b>