

Al Yah Satellite Communications Company PJSC

Condensed consolidated interim financial statements

For the six months ended 30 June 2022

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

For the six months ended 30 June 2022



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Al Yah Satellite Communications Company PJSC

Board of Directors' Report

30 June 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 six months ended 30 June 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 six months ended 30 June 2022, the Group reported revenue of \$205,567 thousand (30 June 2021: \$190,183 thousand) and profit for the period attributable to its shareholders of \$45,361 thousand (30 June 2021: \$30,100 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

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 six months ended 30 June 2022 have been reviewed by KPMG Lower Gulf Limited.

On behalf of the Board of Directors

DocuSigned by:



Chairman of the Board
Musabbeh Al Kaabi

Date: 8 August 2022



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 June 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 June 2022;
- the condensed consolidated interim statement of profit or loss for the three months and six months ended 30 June 2022;
- the condensed consolidated interim statement of comprehensive income for the three months and six months ended 30 June 2022;
- the condensed consolidated interim statement of changes in equity for the six months ended 30 June 2022;
- the condensed consolidated interim statement of cash flows for the six months ended 30 June 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.



Al Yah Satellite Communications Company PJSC
*Independent Auditors' Report on Review of
Condensed Consolidated Interim Financial Statements
30 June 2022*

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 June 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

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of profit or loss



	Notes	Three months ended 30 June		Six months ended 30 June	
		2022	2021	2022	2021
		\$ 000	\$ 000	\$ 000	\$ 000
Revenue	4	106,872	99,968	205,567	190,183
Cost of revenue		(11,704)	(8,505)	(21,763)	(13,416)
Staff costs		(20,767)	(20,776)	(41,817)	(40,768)
Other operating expenses ⁽¹⁾		(11,052)	(9,915)	(21,060)	(21,245)
Other income		533	709	1,068	1,137
Adjusted EBITDA ⁽²⁾		63,882	61,481	121,995	115,891
Depreciation and amortisation		(35,999)	(36,473)	(71,888)	(73,484)
Fair value adjustment on investment property		800	(209)	800	(209)
Operating profit		28,683	24,799	50,907	42,198
Finance income		795	35	1,370	200
Finance costs		(2,190)	(9,767)	(3,507)	(12,904)
Net Finance costs		(1,395)	(9,732)	(2,137)	(12,704)
Share of results of equity-accounted investments	6	(3,668)	(2,543)	(6,566)	(2,849)
Profit before income tax		23,620	12,524	42,204	26,645
Income tax expense		(38)	(72)	(72)	(120)
Profit for the period		23,582	12,452	42,132	26,525
Losses (net) for the period attributable to non-controlling interests		(1,687)	(1,750)	(3,229)	(3,575)
Profit for the period attributable to the Shareholders		25,269	14,202	45,361	30,100
Earnings per share					
Basic and diluted (cents per share)	16	1.04	0.58	1.86	1.23

⁽¹⁾ Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and six months ended 30 June 2022, there was a net reversal of expected credit losses of \$331 thousand and \$730 thousand respectively. For the three months and six months ended 30 June 2021, there was a net charge of \$847 thousand and \$2,227 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.

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 June		Six months ended 30 June	
	2022	2021	2022	2021
	\$ 000	\$ 000	\$ 000	\$ 000
Profit for the period	23,582	12,452	42,132	26,525
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	9,879	2,312	30,496	(49)
Cash flow hedge - loss reclassified to profit or loss	461	7,326	1,402	9,706
Foreign operations - currency translation differences	(10,101)	13,685	6,766	4,231
Total comprehensive income for the period	23,821	35,775	80,796	40,413
Total comprehensive loss attributable to non-controlling interests	(1,696)	(1,748)	(3,206)	(3,565)
Total comprehensive income attributable to the Shareholders	25,517	37,523	84,002	43,978

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

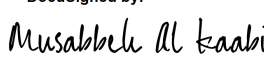


	Notes	30 June 2022 \$ 000	31 December 2021 \$ 000
Assets			
Property, plant and equipment	5	1,152,493	1,131,294
Investment property		20,836	20,231
Right-of-use assets		12,598	15,288
Intangible assets		8,422	9,828
Equity-accounted investments	6	116,161	116,203
Trade and other receivables	7	10,382	10,382
Derivative financial instruments		28,054	3,210
Other investments		300	-
Deferred income tax assets		107	129
Total non-current assets		1,349,353	1,306,565
Inventories		5,845	5,863
Trade and other receivables	7	347,368	147,625
Derivative financial instruments		9,005	1,644
Income tax assets		182	187
Cash and short-term deposits*	8	372,927	400,274
Total current assets		735,327	555,593
Total assets		2,084,680	1,862,158
Liabilities			
Trade and other payables	9	113,569	82,253
Borrowings	10	122,269	62,669
Derivative financial instruments		-	193
Deferred revenue	11	30,913	26,988
Income tax liabilities		118	163
Total current liabilities		266,869	172,266
Trade and other payables	9	403,612	291,000
Borrowings	10	455,684	469,568
Provision for employees' end of service benefits		12,115	11,238
Total non-current liabilities		871,411	771,806
Total liabilities		1,138,280	944,072
Net assets		946,400	918,086
Equity			
Share capital		664,334	664,334
Hedging reserve		37,324	5,426
Statutory reserve		9,567	9,567
Translation reserve		(22,944)	(29,687)
Retained earnings		184,623	191,744
Equity attributable to the Shareholders		872,904	841,384
Non-controlling interests		73,496	76,702
Total equity		946,400	918,086

* Cash and short term deposits include cash and cash equivalents of \$135,739 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 8 August 2022 and approved on their behalf by:

DocuSigned by:

 700A64D757D7407...
Chairman of the Board
Musabbeh Al Kaabi

DocuSigned by:

 13AA0BE7E75B451...
Chief Executive Officer
Ali Hashem Al Hashemi

DocuSigned by:

 A6BF0B65FED14B7...
Chief Financial Officer
Andrew Francis Cole

The financial position as of 30 June 2022 is reviewed. The comparative financial position of 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 six months ended 30 June



Attributable to the Shareholders

	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
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	-	-	-	-	30,100	30,100	(3,575)	26,525
Other comprehensive income:								
Currency translation differences	-	-	-	4,221	-	4,221	10	4,231
Cash flow hedge - effective portion of changes in fair value	-	-	(49)	-	-	(49)	-	(49)
Cash flow hedge - loss reclassified to profit or loss	-	-	9,706	-	-	9,706	-	9,706
Other comprehensive income for the period	-	-	9,657	4,221	-	13,878	10	13,888
Total comprehensive income/(loss) for the period	-	-	9,657	4,221	30,100	43,978	(3,565)	40,413
Conversion of additional paid-in capital to share capital	661,612	(661,612)	-	-	-	-	-	-
Transactions with the Shareholder:								
Dividends (Note 15)	-	-	-	-	(36,000)	(36,000)	-	(36,000)
At 30 June 2021	664,334	-	-	(13,878)	254,046	904,502	80,026	984,528
At 1 January 2022	664,334	-	5,426	(20,120)	191,744	841,384	76,702	918,086
Profit/(loss) for the period	-	-	-	-	45,361	45,361	(3,229)	42,132
Other comprehensive income:								
Currency translation differences	-	-	-	6,743	-	6,743	23	6,766
Cash flow hedge - effective portion of changes in fair value	-	-	30,496	-	-	30,496	-	30,496
Cash flow hedge - loss reclassified to profit or loss	-	-	1,402	-	-	1,402	-	1,402
Other comprehensive income for the period	-	-	31,898	6,743	-	38,641	23	38,664
Total comprehensive income/(loss) for the period	-	-	31,898	6,743	45,361	84,002	(3,206)	80,796
Transactions with the Shareholders:								
Dividends (Note 15)	-	-	-	-	(52,482)	(52,482)	-	(52,482)
At 30 June 2022	664,334	-	37,324	(13,377)	184,623	872,904	73,496	946,400

⁽¹⁾ Other reserves include statutory reserve and translation reserve . As at 30 June 2021, statutory reserve and translation reserve had credit balance of \$4,103 thousand and debit balance of \$17,981 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.

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of cash flows
for the six months ended 30 June



Notes	2022 \$ 000	2021 \$ 000
Operating activities		
Profit before income tax	42,204	26,645
Adjustments for:		
Share of results of equity-accounted investments	6,566	2,849
Depreciation and amortisation	71,888	73,484
Allowance for expected credit losses (reversal)	(730)	2,227
Loss allowance for inventories	181	260
Fair value adjustment on investment property	(800)	209
Finance income	(1,370)	(200)
Finance costs	3,507	12,904
Gain on disposal of property, plant and equipment	-	(31)
Write-off of property, plant and equipment	18	-
Provision for employees' end of service benefits	998	972
Operating profit before working capital changes	122,462	119,319
Working capital changes:		
Trade and other receivables	(48,992)	(34,325)
Inventories	(163)	4,399
Trade and other payables	(2,885)	(9,453)
Deferred revenue	3,925	1,915
Employee end of service payments	(138)	(654)
Income tax paid	(90)	(211)
Net cash from operating activities	74,119	80,990
Investing activities		
Purchases of property, plant and equipment (including capital work in progress)	(88,010)	(66,935)
Additions to intangible assets	(479)	(57)
Return of investment in an associate	-	2,080
Investment in an associate	-	(9,880)
Acquisition of other investments	(300)	-
Receipt of short-term deposits with original maturity of over three months	20,423	100,000
Investments in short-term deposits with original maturity of over three months	(135,075)	-
Proceeds on disposal of property, plant and equipment	-	49
Interest received	1,370	200
Net cash (used in)/from investing activities	(202,071)	25,457
Financing activities		
Proceeds from borrowings	46,469	400,000
Transaction costs on borrowings paid	-	(3,000)
Repayment of term loans	-	(253,589)
Payment of lease liabilities	(2,664)	(2,548)
Interest paid	(5,680)	(2,397)
Settlement of derivative financial instruments	-	(8,555)
Dividend paid to the Shareholders	(52,482)	(36,000)
Net cash (used in)/from financing activities	(14,357)	93,911
Net (decrease)/increase in cash and cash equivalents	(142,309)	200,358
Net foreign exchange difference	310	62
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	135,739	305,335

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 six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 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.

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.

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 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 '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 six months ended 30 June 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	118,574	39,234	36,437	11,322	-	-	205,567
Inter-segment revenue	1,770	200	127	374	-	(2,471)	-
Total revenue	120,344	39,434	36,564	11,696	-	(2,471)	205,567
Adjusted EBITDA	92,026	20,152	10,552	(735)	-	-	121,995
Depreciation and amortisation	(45,528)	(173)	(9,489)	(16,698)	-	-	(71,888)
Fair value gain on investment property	-	-	800	-	-	-	800
Finance income	6,326	-	34	607	-	(5,597)	1,370
Finance costs	(8,709)	-	(370)	(25)	-	5,597	(3,507)
Share of results - HPE	-	-	-	-	(7,685)	-	(7,685)
Share of results - Al Maisan	-	-	-	-	1,119	-	1,119
Income tax expense	-	-	(4)	(68)	-	-	(72)
Profit/(loss) for the period	44,115	19,979	1,523	(16,919)	(6,566)	-	42,132
Profit/(loss) for the period attributable to non-controlling interests	-	-	155	(3,384)	-	-	(3,229)
Profit/(loss) for the period attributable to the Shareholders	44,115	19,979	1,368	(13,535)	(6,566)	-	45,361
Capital expenditure	81,097	13	6,442	1,303	-	-	88,855

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2022



3 Segment information (continued)

The segment information for the six months ended 30 June 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	119,928	29,050	29,366	11,839	-	-	190,183
Inter-segment revenue	539	-	-	455	-	(994)	-
Total revenue	120,467	29,050	29,366	12,294	-	(994)	190,183
Adjusted EBITDA	94,359	13,731	8,643	(842)	-	-	115,891
Depreciation and amortisation	(45,640)	(51)	(11,413)	(16,380)	-	-	(73,484)
Fair value losses on investment property	-	-	(209)	-	-	-	(209)
Finance income	225	-	3	1,305	-	(1,333)	200
Finance costs	(13,616)	-	(519)	(102)	-	1,333	(12,904)
Share of results - HPE	-	-	-	-	(3,526)	-	(3,526)
Share of results - Al Maisan	-	-	-	-	677	-	677
Income tax expense	(31)	-	(13)	(76)	-	-	(120)
Profit/(loss) for the period	35,297	13,680	(3,508)	(16,095)	(2,849)	-	26,525
Loss for the period attributable to non-controlling interests	-	-	(356)	(3,219)	-	-	(3,575)
Profit/(loss) for the period attributable to the Shareholders	35,297	13,680	(3,152)	(12,876)	(2,849)	-	30,100
Capital expenditure	72,148	130	2,898	3,698	-	-	78,874

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.

	Six months ended 30 June	
	2022	2021
	\$ 000	\$ 000
United Arab Emirates	174,421	159,139
Europe	11,070	12,126
Asia	9,114	9,940
Africa	8,178	5,801
North America	2,194	2,728
Others	590	449
Revenue	205,567	190,183

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
 for the six months ended 30 June 2022

4 Revenue

	Notes	Three months ended 30 June		Six months ended 30 June	
		2022	2021	2022	2021
		\$ 000	\$ 000	\$ 000	\$ 000
Services rendered		101,027	94,746	193,367	184,004
Sale of equipment and accessories		5,845	5,222	12,200	6,179
		106,872	99,968	205,567	190,183
Revenue from related parties is disclosed in Note 13.					
Revenue includes:					
Revenue from contracts with customers (IFRS 15)		73,671	67,473	139,560	124,253
Income from operating leases (IFRS 16)		33,201	32,495	66,007	65,930
		106,872	99,968	205,567	190,183
Disaggregation of revenue by operating segment:					
Services rendered:					
Infrastructure		59,287	59,972	118,574	119,928
Managed solutions		24,043	16,997	39,234	29,050
Mobility solutions		12,499	11,596	24,788	23,382
Data solutions - BCS		5,198	6,181	10,771	11,644
Sale of equipment and accessories					
Mobility solutions		5,468	5,068	11,649	5,984
Data solutions - BCS		377	154	551	195
	3	106,872	99,968	205,567	190,183
Timing of recognition of revenue from contracts with customers:					
Over time		57,598	61,646	117,130	117,469
At a point in time		16,073	5,827	22,430	6,784
		73,671	67,473	139,560	124,253
Revenue by geography is disclosed in note 3.					

	Notes	30 June 2022 \$ 000	31 December 2021 \$ 000
Contract balances (IFRS 15)			
Trade receivables, net of loss allowance	7	290,319	110,651
Contract assets	7	24,943	17,836
Contract liabilities:			
Advance from customers - related party *		278,061	128,040
Advance from customers - others	9	1,519	1,592
Deferred revenue	11	30,913	26,988

* The balance as of 30 June 2022 includes an invoice for the initial advance payment on the T4-NGSA amounting to \$150 million. The invoice was outstanding at the end of the reporting period, but was subsequently paid in full on 22 July 2022 (refer to note 13).

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2022

5 Property, plant and equipment

	30 June 2022 \$ 000	31 December 2021 \$ 000
At the beginning of the period/year	1,131,294	1,116,534
Additions	88,394	154,466
Depreciation	(67,314)	(139,307)
Transfer from investment property	195	-
Exchange differences	(58)	(243)
Disposal	-	(18)
Transfer to intangible assets	-	(133)
Write-off	(18)	(5)
At the end of the period/year	1,152,493	1,131,294

Capital work in progress of \$312.7 million (31 December 2021: \$227 million) is included in property, plant and equipment as of the end of the reporting period of which \$300.6 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 \$82.2 million.

Additions to property, plant and equipment during the six months ended 30 June 2021 amounted to \$78.8 million of which additions to capital work in progress amounted to \$74.2 million.

6 Equity-accounted investments

	30 June 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	(6,566)	(9,589)
Exchange differences	6,524	(7,582)
At the end of the period/year	116,161	116,203
of which Investment in HPE	94,857	96,018
of which Investment in Al Maisan	21,304	20,185

Share of results for the six months ended 30 June 2021 was a loss of \$2,849 thousand (also refer to note 3).

7 Trade and other receivables

	30 June 2022 \$ 000	31 December 2021 \$ 000
Trade receivables *	310,296	131,843
Allowance for expected credit losses	(19,977)	(21,192)
Trade receivables, net of allowance	290,319	110,651
Contract assets - accrued income	24,943	17,836
Prepayments - orbital services	10,000	10,000
Prepayments - others	6,725	2,686
Advances	18,303	11,378
Other receivables, net of allowance	7,460	5,456
Total trade and other receivables	357,750	158,007
of which non-current	10,382	10,382
of which current	347,368	147,625

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
 for the six months ended 30 June 2022

7 Trade and other receivables (continued)

* Trade receivables as of 30 June 2022 include an invoice for the initial advance payment on the T4-NGSA amounting to \$150 million plus applicable UAE value-added taxes. The invoice was outstanding at the end of the reporting period, but was subsequently paid in full on 22 July 2022 (refer to note 13).

8 Cash and short term deposits

	30 June 2022 \$ 000	31 December 2021 \$ 000
Cash on hand and in banks	115,738	277,738
Short-term deposits with banks - related parties *	135,078	-
Short-term deposits with banks - others *	122,111	122,536
Cash and short-term deposits	372,927	400,274
Less: Short-term deposits with original maturities of over three months	(237,188)	(122,536)
Cash and cash equivalents	135,739	277,738

* During the period, the Group a) placed short term deposits with banks (related parties \$245,075 thousand and others \$110,000 thousand) and b) received maturity proceeds on short term deposits (related parties \$110,000 thousand and others \$110,422 thousand).

9 Trade and other payables

	30 June 2022 \$ 000	31 December 2021 \$ 000
	Notes	
Trade payables	30,428	38,081
Accruals	33,566	31,886
Advance from customers - related party	13	441,021
Advance from customers - others	1,519	1,592
Other payables	10,647	10,694
Total trade and other payables	517,181	373,253
of which non-current	403,612	291,000
of which current	113,569	82,253

10 Borrowings

	30 June 2022 \$ 000	31 December 2021 \$ 000
The carrying amount of borrowings are as follows:		
A) Term loans:		
Principal amounts	579,746	532,819
Unamortised transaction costs	(16,066)	(17,118)
Term loans - net of unamortised transaction costs	563,680	515,701
B) Lease liabilities	14,273	16,536
Total borrowings	577,953	532,237
of which current	122,269	62,669
of which non-current	455,684	469,568

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2022

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
At 30 June 2022				
Term loan 5	2022-2026	400,000	(3,672)	396,328
Term loan 6	2024-2032	179,746	(12,394)	167,352
		579,746	(16,066)	563,680
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 June 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)	46,469	532,819
Additions (interest capitalised)	458	-
Transaction costs	-	(18,043)
Amortisation of transaction costs	1,052	3,670
Payments	-	(255,717)
At the end of the period/year	563,680	515,701

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

	Term loan 5 \$ 000	Term loan 6 \$ 000	Total \$ 000
At 30 June 2022			
Within one year	120,000	-	120,000
1 - 2 years	85,000	-	85,000
2 - 5 years	195,000	63,440	258,440
Beyond 5 years	-	116,306	116,306
	400,000	179,746	579,746
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

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
 for the six months ended 30 June 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 \$46.5 million was drawn from this facility (year ended 31 December 2021: \$132.8 million). As of 30 June 2022, the unutilised facility amounted to \$120.8 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 six months ended 30 June 2021, additions amounting to \$400 million (Term loan 5) and repayments amounting to \$253.6 million (Term loan 1) were made.

B) Lease liabilities

	30 June 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	392	973
Payments	(2,664)	(4,254)
Additions	-	20
Exchange differences	9	-
At the end of the period/year	14,273	16,536

11 Deferred revenue

	30 June 2022 \$ 000	31 December 2021 \$ 000
Unutilized airtime balances from prepaid scratch cards (IFRS 15)	15,990	18,001
Others (IFRS 15)	14,923	8,987
Total deferred revenue	30,913	26,988

12 Capital commitments and contingent liabilities

	30 June 2022 \$ 000	31 December 2021 \$ 000
Capital commitments - committed and contracted	221,329	259,305
Contingent liabilities - performance bonds provided by banks in the normal course of business	34,619	30,956

Capital commitments mainly relate to T4-NGS project.

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
 for the six months ended 30 June 2022

13 Related party transactions

Transaction with related parties	Six months ended 30 June	
	2022	2021
	\$ 000	\$ 000
Revenue		
Entities under common control*	150,260	142,627
Associate	732	686
Total	150,992	143,313
Interest income on short term deposits		
Entities under common control	522	184
Interest expense on term loans		
Entities under common control	2,246	1,607
Outsourced expenses, office lease rent, systems support		
Entities under common control	705	524
Cost of sales		
Entities under common control	66	275
Associate	578	1,259
Total	644	1,534
Advance from a related party		
Entities under common control **	150,021	-
Key management personnel compensation		
Short term employment benefits	2,361	2,031
Post-employment benefits	197	151

* Revenue from entities under common control includes \$144.2 million (six months ended 30 June 2021: \$137.8 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.

** On 17 June 2021, the Group signed the T4-NGS capacity services agreement with UAEAF (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 commercial services of T4-NGS which is expected in the second half of 2024. Pursuant to the terms of T4-NGSA, the Group raised an invoice for initial advance payment during the period amounting to \$150 million plus applicable UAE value-added taxes. The invoice was outstanding at the end of the reporting period, but was subsequently paid in full on 22 July 2022.

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 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.

Al Yah Satellite Communications Company PJSC

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2022

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 dividend was approved by the shareholders at the annual general assembly held on 11 April 2022 and paid on 9 May 2022.

During the six months ended 30 June 2021, the Company paid a dividend of \$36 million representing \$3.6 per fully paid share. Such dividend was paid prior to the increase in the Company's share capital on 17 June 2021.

16 Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
Profit for the period attributable to the Shareholders (in \$'000)	25,269	14,202	45,361	30,100
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)	1.04	0.58	1.86	1.23
Basic and diluted earnings per share (fils)	3.80	2.14	6.83	4.53

17 Seasonality and cyclicity of interim operations

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

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

for the six months ended 30 June 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 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	AED 000	AED 000	AED 000	AED 000
Revenue	392,487	367,132	754,945	698,447
Cost of revenue	(42,983)	(31,235)	(79,925)	(49,270)
Staff costs	(76,267)	(76,300)	(153,573)	(149,720)
Other operating expenses ⁽¹⁾	(40,588)	(36,413)	(77,343)	(78,022)
Other income	1,957	2,604	3,922	4,176
Adjusted EBITDA	234,606	225,788	448,026	425,611
Depreciation and amortisation	(132,206)	(133,947)	(264,009)	(269,870)
Fair value adjustments on investment property	2,938	(768)	2,938	(768)
Operating profit	105,338	91,073	186,955	154,973
Finance income	2,920	129	5,031	735
Finance costs	(8,043)	(35,869)	(12,879)	(47,390)
Net Finance costs	(5,123)	(35,740)	(7,848)	(46,655)
Share of results of equity-accounted investments	(13,471)	(9,339)	(24,114)	(10,463)
Profit before income tax	86,744	45,994	154,993	97,855
Income tax expense	(140)	(264)	(264)	(441)
Profit for the period	86,604	45,730	154,729	97,414
Losses (net) for the period attributable to non-controlling interests	(6,196)	(6,427)	(11,859)	(13,129)
Profit for the period attributable to the Shareholders	92,800	52,157	166,588	110,543
Earnings per share				
Basic and diluted (fils per share)	3.80	2.14	6.83	4.53

(1) Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and six months ended 30 June 2021, there was a net reversal of expected credit losses of AED 1,216 thousand and AED 2,681 thousand respectively. For the three months and six months ended 30 June 2022, there was a net charge of AED 3,111 thousand and AED 8,179 thousand respectively.

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

for the six months ended 30 June 2022

ii) Condensed consolidated interim statement of comprehensive income

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	AED 000	AED 000	AED 000	AED 000
Profit for the period	86,604	45,730	154,729	97,414
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	36,281	8,491	111,997	(180)
Cash flow hedge - loss reclassified to profit or loss	1,693	26,905	5,149	35,645
Foreign operations - currency translation differences	(37,096)	50,258	24,848	15,538
Total comprehensive income for the period	87,482	131,384	296,723	148,417
Total comprehensive loss attributable to non-controlling interests	(6,230)	(6,420)	(11,775)	(13,093)
Total comprehensive income attributable to the Shareholders	93,712	137,804	308,498	161,510

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

for the six months ended 30 June 2022

iii) Condensed consolidated interim statement of financial position

	30 June 2022 AED 000	31 December 2021 AED 000
Assets		
Property, plant and equipment	4,232,531	4,154,677
Investment property	76,520	74,298
Right-of-use assets	46,266	56,145
Intangible assets	30,930	36,093
Equity-accounted investments	426,601	426,756
Trade and other receivables	38,128	38,128
Derivative financial assets	103,028	11,789
Other investments	1,102	-
Deferred income tax assets	393	474
Total non-current assets	4,955,499	4,798,360
Inventories	21,466	21,532
Trade and other receivables	1,275,709	542,153
Derivative financial instruments	33,071	6,038
Income tax assets	668	687
Cash and short-term deposits*	1,369,574	1,470,006
Total current assets	2,700,488	2,040,416
Total assets	7,655,987	6,838,776
Liabilities		
Trade and other payables	417,082	302,074
Borrowings	449,033	230,152
Derivative financial instruments	-	709
Deferred revenue	113,528	99,113
Income tax liabilities	433	599
Total current liabilities	980,076	632,647
Trade and other payables	1,482,266	1,068,698
Borrowings	1,673,499	1,724,488
Provision for employees' end of service benefits	44,492	41,272
Total non-current liabilities	3,200,257	2,834,458
Total liabilities	4,180,333	3,467,105
Net assets	3,475,654	3,371,671
Equity		
Share capital	2,439,770	2,439,770
Hedging reserve	137,073	19,927
Statutory reserve	35,135	35,135
Translation reserve	(84,265)	(109,029)
Retained earnings	678,028	704,180
Equity attributable to the Shareholders	3,205,741	3,089,983
Non-controlling interests	269,913	281,688
Total equity	3,475,654	3,371,671

*Cash and short term deposits include cash and cash equivalents of AED 498,501 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 six months ended 30 June 2022

iv) Condensed consolidated interim statement of changes in equity**Attributable to the Shareholders**

	Attributable to the Shareholders					Total	Non-controlling interests	Total equity
	Share capital	Additional paid-in capital	Hedging reserve	Other Reserves ⁽¹⁾	Retained earnings			
	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	-	-	-	-	110,543	110,543	(13,129)	97,414
Other comprehensive income:								
Currency translation differences	-	-	-	15,502	-	15,502	36	15,538
Cash flow hedge - effective portion of changes in fair value	-	-	(180)	-	-	(180)	-	(180)
Cash flow hedge - loss reclassified to profit or loss	-	-	35,645	-	-	35,645	-	35,645
Other comprehensive income for the period	-	-	35,465	15,502	-	50,967	36	51,003
Total comprehensive income/(loss) for the period	-	-	35,465	15,502	110,543	161,510	(13,093)	148,417
Conversion of additional paid-in capital to share capital	2,429,770	(2,429,770)	-	-	-	-	-	-
Transactions with the Shareholder:								
Dividends	-	-	-	-	(132,210)	(132,210)	-	(132,210)
At 30 June 2021	2,439,770	-	-	(50,971)	932,985	3,321,784	293,895	3,615,679
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	-	-	-	-	166,588	166,588	(11,859)	154,729
Other comprehensive income:								
Currency translation differences	-	-	-	24,764	-	24,764	84	24,848
Cash flow hedge - effective portion of changes in fair value	-	-	111,997	-	-	111,997	-	111,997
Cash flow hedge - loss reclassified to profit or loss	-	-	5,149	-	-	5,149	-	5,149
Other comprehensive income for the period	-	-	117,146	24,764	-	141,910	84	141,994
Total comprehensive income/(loss) for the period	-	-	117,146	24,764	166,588	308,498	(11,775)	296,723
Transactions with the Shareholders:								
Dividends	-	-	-	-	(192,740)	(192,740)	-	(192,740)
At 30 June 2022	2,439,770	-	137,073	(49,130)	678,028	3,205,741	269,913	3,475,654

(1) Other reserves include statutory reserve and translation reserve. As at 30 June 2021, statutory reserve and translation reserve had credit balance of AED 15,068 thousand and debit balance of AED 69,708 thousand respectively.

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

for the six months ended 30 June 2022

v) Condensed consolidated interim statement of cash flows

	2022 AED 000	2021 AED 000
Operating activities		
Profit before income tax	154,993	97,855
Adjustments for:		
Share of results of equity-accounted investments	24,114	10,463
Depreciation and amortisation	264,009	269,870
Allowance for expected credit losses (reversal)	(2,681)	8,179
Loss allowance for inventories	665	955
Fair value adjustment on investment property	(2,938)	768
Finance income	(5,031)	(735)
Finance costs	12,879	47,390
Gain on disposal of property, plant and equipment	-	(114)
Write-off of property, plant and equipment	66	-
Provision for employees' end of service benefits	3,665	3,570
Operating profit before working capital changes	449,741	438,201
Working capital changes:		
Trade and other receivables	(179,923)	(126,059)
Inventories	(599)	16,155
Trade and other payables	(10,595)	(34,716)
Deferred revenue	14,415	7,033
Employee end of service payments	(507)	(2,402)
Income tax paid	(331)	(775)
Net cash from operating activities	272,201	297,437
Investing activities		
Purchases of property, plant and equipment (including capital work in progress)	(323,217)	(245,819)
Additions to intangible assets	(1,759)	(209)
Return of investment in an associate	-	7,639
Investment in an associate	-	(36,284)
Acquisition of other investments	(1,102)	-
Receipt of short-term deposits with original maturity of over three months	75,003	367,250
Investments in short-term deposits with original maturity of over three months	(496,063)	-
Proceeds on disposal of property, plant and equipment	-	180
Interest received	5,031	735
Net cash (used in)/from investing activities	(742,107)	93,492
Financing activities		
Proceeds from borrowings	170,657	1,469,000
Transaction costs on borrowings paid	-	(11,018)
Repayment of term loans	-	(931,306)
Payment of lease liabilities	(9,784)	(9,358)
Interest paid	(20,860)	(8,803)
Settlement of derivative financial instruments	-	(31,418)
Dividend paid to the Shareholders	(192,740)	(132,210)
Net cash (used in)/from financing activities	(52,727)	344,887
Net (decrease)/increase in cash and cash equivalents	(522,633)	735,816
Net foreign exchange difference	1,141	227
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	498,501	1,121,343