

Al Yah Satellite Communications Company PJSC

Condensed consolidated interim financial statements

For the nine months ended 30 September 2023

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

For the nine months ended 30 September 2023



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

30 September 2023

The Directors have pleasure in presenting their report, together with the reviewed condensed consolidated interim financial statements of Al Yah Satellite Communications Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the nine months ended 30 September 2023.

Principal activities

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

Results for the period

For the nine months ended 30 September 2023, the Group reported revenue of \$322,553 thousand (30 September 2022: \$314,584 thousand) and profit for the period attributable to its shareholders of \$71,753 thousand (30 September 2022: \$35,144 thousand).

Transactions with related parties

Related party transactions are carried out as part of the normal course of business and in compliance with applicable laws and regulations. Related party transactions are disclosed in note 16 of the condensed consolidated interim financial statements.

Directors

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

Auditors

RAI Audit and Tax Services LLC, was appointed as the external auditors ("auditors") for the financial year 2023, by the shareholders in the General Assembly on 5 April 2023.

On behalf of the Board of Directors

DocuSigned by:



9FA2035C5F534C1
Chairman of the Board
Musabbeh Al Kaabi

Date: 6 November 2023

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**Report on Review of
Condensed Consolidated Interim Financial Statements**

To: The Shareholders of Al Yah Satellite Communications Company PJSC

Introduction

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

- the condensed consolidated interim statement of financial position as at 30 September 2023;
- the condensed consolidated interim statement of profit or loss for the three months and nine months ended 30 September 2023;
- the condensed consolidated interim statement of comprehensive income for the three months and nine months ended 30 September 2023;
- the condensed consolidated interim statement of changes in equity for the nine months ended 30 September 2023;
- the condensed consolidated interim statement of cash flows for the nine months ended 30 September 2023; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 - Interim Financial Reporting.

Other Matter

The condensed consolidated interim financial statements of the Group as at and for the three months and nine months ended 30 September 2022 were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on 7 November 2022.

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 28 February 2023.

For RAI Audit and Tax Services,



Auditor Name: **Ashraf Eradhun**
Entry Number: 5446
Date: 6 November 2023
Abu Dhabi, United Arab Emirates

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of profit or loss
for the nine months ended 30 September 2023 (Unaudited)



	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
		\$ 000	\$ 000	\$ 000	\$ 000
Revenue	4	117,481	109,017	322,553	314,584
Cost of revenue		(17,827)	(8,574)	(34,952)	(30,337)
Staff costs		(20,702)	(22,353)	(62,325)	(64,170)
Other operating expenses ⁽¹⁾		(12,589)	(11,657)	(37,227)	(32,717)
Other income		1,695	530	3,138	1,598
Adjusted EBITDA ⁽²⁾		68,058	66,963	191,187	188,958
Depreciation and amortisation		(40,050)	(36,155)	(116,078)	(108,043)
Fair value (losses) gains ⁽³⁾		(5,101)	-	(11,467)	800
Operating profit		22,907	30,808	63,642	81,715
Finance income		7,793	3,120	18,765	4,490
Finance costs		(3,034)	(2,482)	(8,859)	(5,989)
Net finance income (costs)		4,759	638	9,906	(1,499)
Share of results of equity-accounted investments ⁽⁴⁾	7	(3,343)	(43,485)	(8,187)	(50,051)
Profit (loss) before income tax		24,323	(12,039)	65,361	30,165
Income tax expense		(72)	(49)	(224)	(121)
Profit (loss) for the period		24,251	(12,088)	65,137	30,044
Loss for the period attributable to non-controlling interests		(2,196)	(1,871)	(6,616)	(5,100)
Profit (loss) for the period attributable to the Shareholders		26,447	(10,217)	71,753	35,144
Earnings per share					
Basic and diluted (cents per share)	19	1.08	(0.42)	2.94	1.44

⁽¹⁾ Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and nine months ended 30 September 2023, there was a net charge of \$2,427 thousand and \$4,239 thousand respectively. For the three months and nine months ended 30 September 2022, there was a net reversal of expected credit losses of \$150 thousand and \$880 thousand respectively.

⁽²⁾ Adjusted EBITDA is a non-GAAP measure and refers to earnings before interest, tax, depreciation, amortisation, fair value gains/(losses) and share of results of equity-accounted investments.

⁽³⁾ Fair value losses/gains include fair value changes on other financial assets (refer note 8) and investment property which is now classified as held for sale (refer note 11). There were no fair value losses/gains recorded in respect of investment property in the current period (2022: gain of \$800 thousand). Fair value losses of \$5,101 thousand and \$11,467 thousand were recorded in respect of other financial assets in the three months and nine months ended 30 September 2023 (2022: nil) respectively.

⁽⁴⁾ Share of results of equity-accounted investments for the three months and nine months ended 30 September 2022 include impairment loss of investment in an associate of \$40,575 thousand.

The notes on pages 6 to 18 form part of these condensed consolidated interim financial statements.

The 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 nine months ended 30 September 2023 (Unaudited)



	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	\$ 000	\$ 000	\$ 000	\$ 000
Profit (loss) for the period	24,251	(12,088)	65,137	30,044
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedge - effective portion of changes in fair value	6,604	13,776	12,849	44,272
Cash flow hedge - gain reclassified to profit or loss	(5,291)	(2,385)	(15,474)	(983)
Foreign operations - currency translation differences	(1,554)	(2,842)	1,743	3,924
	(241)	8,549	(882)	47,213
Item that may not be reclassified to profit or loss in subsequent periods:				
Remeasurement of defined benefit obligation	240	-	(321)	-
Other comprehensive income (loss) for the period	(1)	8,549	(1,203)	47,213
Total comprehensive income (loss) for the period	24,250	(3,539)	63,934	77,257
Total comprehensive loss attributable to non-controlling interests	(1,833)	(1,880)	(6,354)	(5,086)
Total comprehensive income (loss) attributable to the Shareholders	26,083	(1,659)	70,288	82,343

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Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of financial position

As at 30 September 2023



	Notes	(Unaudited) 30 September 2023 \$ 000	(Audited) 31 December 2022 \$ 000
Assets			
Property, plant and equipment	6	1,132,635	1,144,224
Investment property	11	-	19,981
Right-of-use assets		5,321	5,852
Intangible assets		6,370	7,210
Equity-accounted investments	7	52,828	64,054
Trade and other receivables	9	10,340	10,382
Derivative financial instruments		34,978	32,214
Other financial assets	8	8,283	2,950
Deferred income tax assets		150	132
Total non-current assets		1,250,905	1,286,999
Inventories		14,371	7,232
Trade and other receivables	9	127,338	168,259
Derivative financial instruments		17,072	17,202
Income tax assets		182	182
Cash and short-term deposits*	10	659,222	544,699
		818,185	737,574
Non-current assets classified as held for sale	11	25,983	-
Total current assets		844,168	737,574
Total assets		2,095,073	2,024,573
Liabilities			
Trade and other payables	12	190,741	171,161
Borrowings	13	86,250	121,077
Deferred revenue	14	82,366	24,809
Income tax liabilities		312	215
Total current liabilities		359,669	317,262
Trade and other payables	12	446,704	367,679
Borrowings	13	401,573	407,251
Defined benefit obligations		8,929	9,897
Total non-current liabilities		857,206	784,827
Total liabilities		1,216,875	1,102,089
Net assets		878,198	922,484
Equity			
Share capital		664,334	664,334
Hedging reserve		45,780	48,405
Statutory reserve		20,929	20,929
Translation reserve		(22,906)	(24,353)
Remeasurement reserve		1,614	1,901
Retained earnings		103,452	139,919
Equity attributable to the Shareholders		813,203	851,135
Non-controlling interests		64,995	71,349
Total equity		878,198	922,484

*Cash and short term deposits include cash and cash equivalents of \$237,685 thousand (31 December 2022: US\$ 213,994 thousand).

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 6 November 2023 and approved on their behalf by:

DocuSigned by:

 9FA2035C5F534C1...
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 notes on pages 6 to 18 form part of these condensed consolidated interim financial statements.

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

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of changes in equity
for the nine months ended 30 September 2023 (Unaudited)



	Attributable to the Shareholders					Non-controlling interests	Total equity
	Share capital	Hedging reserve	Other reserves ⁽¹⁾	Retained earnings	Total		
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000		
At 1 January 2022	664,334	5,426	(20,120)	191,744	841,384	76,702	918,086
Profit (loss) for the period	-	-	-	35,144	35,144	(5,100)	30,044
Other comprehensive income:							
Cash flow hedge - effective portion of changes in fair value	-	44,272	-	-	44,272	-	44,272
Cash flow hedge - net gain reclassified to profit or loss	-	(983)	-	-	(983)	-	(983)
Currency translation differences	-	-	3,910	-	3,910	14	3,924
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-
Other comprehensive income for the period	-	43,289	3,910	-	47,199	14	47,213
Total comprehensive income (loss) for the period	-	43,289	3,910	35,144	82,343	(5,086)	77,257
Transactions with the Shareholders:							
Dividends (Note 18)	-	-	-	(106,027)	(106,027)	-	(106,027)
At 30 September 2022	664,334	48,715	(16,210)	120,861	817,700	71,616	889,316
At 1 January 2023	664,334	48,405	(1,523)	139,919	851,135	71,349	922,484
Profit (loss) for the period	-	-	-	71,753	71,753	(6,616)	65,137
Other comprehensive income:							
Cash flow hedge - effective portion of changes in fair value	-	12,849	-	-	12,849	-	12,849
Cash flow hedge - net gain reclassified to profit or loss	-	(15,474)	-	-	(15,474)	-	(15,474)
Currency translation differences	-	-	1,447	-	1,447	296	1,743
Remeasurement of defined benefit obligation	-	-	(287)	-	(287)	(34)	(321)
Other comprehensive income (loss) for the period	-	(2,625)	1,160	-	(1,465)	262	(1,203)
Total comprehensive income (loss) for the period	-	(2,625)	1,160	71,753	70,288	(6,354)	63,934
Transactions with the Shareholders:							
Dividends (Note 18)	-	-	-	(108,220)	(108,220)	-	(108,220)
At 30 September 2023	664,334	45,780	(363)	103,452	813,203	64,995	878,198

⁽¹⁾ Other reserves include statutory reserve, translation reserve and remeasurement reserve.

The notes on pages 6 to 18 form part of these condensed consolidated interim financial statements.

The 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 nine months ended 30 September 2023 (Unaudited)



	Nine months ended 30 September	
	2023 \$ 000	2022 \$ 000
Operating activities		
Profit before income tax	65,361	30,165
Adjustments for:		
Share of results of equity-accounted investments	8,187	50,051
Depreciation and amortisation	116,078	108,043
Allowance for (reversal of) expected credit losses	4,239	(880)
Reversal of allowance for slow-moving inventories	(118)	(10)
Fair value losses (gains)	11,467	(800)
Finance income	(18,765)	(4,490)
Finance costs	8,859	5,989
Write-off of property, plant and equipment	-	25
Current service cost/charge for the period	879	1,590
Operating profit before working capital changes	196,187	189,683
Working capital changes:		
Trade and other receivables	28,315	(47,785)
Inventories	(6,597)	(1,290)
Trade and other payables	51,608	139,620
Deferred revenue	57,557	63,935
Payments for defined benefit obligations	(2,509)	(458)
Income tax paid	(145)	(46)
Net cash from operating activities	324,416	343,659
Investing activities		
Purchases of property, plant and equipment	(114,331)	(107,817)
Additions to intangible assets	(655)	(896)
Return of investment in an associate	5,005	4,225
Acquisition of other financial assets	(1,050)	(1,400)
Receipt of short-term deposits with original maturity of over three months	305,279	47,652
Investments in short-term deposits with original maturity of over three months	(399,914)	(315,497)
Interest received	11,421	4,490
Net cash used in investing activities	(194,245)	(369,243)
Financing activities		
Proceeds from term loan	8,483	55,182
Repayment of term loan	(60,000)	-
Payment of lease liabilities	(651)	(5,037)
Interest paid net of derivative settlements	(4,707)	(9,479)
Dividend paid to the Shareholders	(53,545)	(52,482)
Net cash used in financing activities	(110,420)	(11,816)
Net increase (decrease) in cash and cash equivalents	19,751	(37,400)
Net foreign exchange difference	3,940	616
Cash and cash equivalents at the beginning of the period	213,994	277,738
Cash and cash equivalents as at the end of the period	237,685	240,954

A significant non-cash transaction of conversion of trade receivables into Convertible Loan for an amount of \$15,750 thousand is excluded from the condensed consolidated interim statement of cash flows. Refer to note 8.

The notes on pages 6 to 18 form part of these condensed consolidated interim financial statements.

The 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 nine months ended 30 September 2023 (Unaudited)



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 Decree-Law No. 32 of 2021 (the "Commercial Companies Law") is applicable to the Company and has come into effect on 2 January 2022.

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.

These 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 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.

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.

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 2022 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 consolidated interim financial statements as compared with the most recent annual consolidated financial statements, except for new and amended standards applicable from 1 January 2023 as disclosed in note 2.2 below.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments, and other financial assets, 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 consolidated financial statements except for the below:

- i) change in useful life of satellites (note 6); and
- ii) significant estimate relating to fair value of Convertible Loan (note 8)

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 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet 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 did not have any material impact on the Group.

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. 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 nine months ended 30 September 2023 (Unaudited)



2 Significant accounting policies (continued)

2.2 New and amended standards and interpretations (continued)

Amendments to IAS 1 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 did not 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 did not have a material impact on the Group.

2.3 Standards issued but not yet effective

At the date of the condensed consolidated interim financial information, the following standards, amendments and Interpretations have not been effective and have not been early adopted by the Group:

New and amended standards not effective and not yet adopted by the Group	Effective date
<i>Amendments to IAS 1: Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to IFRS 16: Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to IAS 1: Non-current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules</i>	Note 1
<i>Amendments to IAS 7 and IFRS 7: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
<i>Amendments to IAS 21: Lack of exchangeability</i>	1 January 2025
<i>Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between investor and its associate or joint venture</i>	Deferred indefinitely

Note 1: The amendments are effective immediately upon issuance. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

These new and amended standards are not expected to have a material impact on the Group's condensed consolidated interim financial statements.

Al Yah Satellite Communications Company PJSC

Notes to the condensed consolidated interim financial statements

for the nine months ended 30 September 2023 (Unaudited)



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, long-term capacity services 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's 'Adjusted EBITDA', a measure broadly consistent with Group Adjusted EBITDA.
- Data Solutions (BCS) and Mobility Solutions segments are evaluated based on respective segment's 'Adjusted EBITDA' and 'profit or loss' which is measured consistently with profit for the period in the condensed consolidated interim 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, income, costs and other consolidation adjustments, if any, are presented under the column 'Reconciliation'.

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

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

The segment information for the nine months ended 30 September 2023 is as follows:

	Infra- structure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Recon- ciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	180,041	61,301	64,200	17,011	-	-	322,553
Inter-segment revenue	1,886	349	194	456	-	(2,885)	-
Total revenue	181,927	61,650	64,394	17,467	-	(2,885)	322,553
Adjusted EBITDA	137,376	37,251	15,337	1,223	-	-	191,187
Depreciation and amortisation	(69,222)	(344)	(14,190)	(32,322)	-	-	(116,078)
Fair value losses	(1,045)	-	(10,422)	-	-	-	(11,467)
Finance income	21,489	-	750	4,457	-	(7,931)	18,765
Finance costs	(14,800)	-	(219)	(1,771)	-	7,931	(8,859)
Share of results - HPE	-	-	-	-	(8,530)	-	(8,530)
Share of results - Al Maisan	-	-	-	-	343	-	343
Income tax expense	-	-	(6)	(218)	-	-	(224)
Profit (loss) for the period	73,798	36,907	(8,750)	(28,631)	(8,187)	-	65,137
Loss for the period attributable to non-controlling interests	-	-	(889)	(5,727)	-	-	(6,616)
Profit (loss) for the period attributable to the Shareholders	73,798	36,907	(7,861)	(22,904)	(8,187)	-	71,753
Capital expenditure	91,644	5,555	11,983	739	-	-	109,921

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3 Segment information (continued)

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

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

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 16.

	Nine months ended 30 September	
	2023	2022
	\$ 000	\$ 000
United Arab Emirates	270,338	269,593
Europe	14,928	15,186
Asia	20,785	13,568
Africa	13,157	12,374
North America	2,489	2,958
Others	856	905
Revenue	322,553	314,584

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4 Revenue

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 \$ 000	2022 \$ 000	2023 \$ 000	2022 \$ 000
Services rendered		102,450	103,634	297,379	297,001
Sale of equipment and accessories		15,031	5,383	25,174	17,583
		117,481	109,017	322,553	314,584
Revenue from related parties is disclosed in Note 16.					
Revenue includes:					
Revenue from contracts with customers (IFRS 15)		84,613	76,020	223,791	215,580
Income from operating leases (IFRS 16)		32,868	32,997	98,762	99,004
		117,481	109,017	322,553	314,584
Disaggregation of revenue by operating segment:					
Services rendered:	3				
Infrastructure		60,141	59,475	180,041	178,050
Managed solutions		22,485	27,298	61,301	66,532
Mobility solutions		14,365	11,901	39,924	36,687
Data solutions - BCS		5,459	4,960	16,113	15,732
Sale of equipment and accessories					
Mobility solutions		14,983	4,332	24,276	15,982
Data solutions - BCS		48	1,051	898	1,601
		117,481	109,017	322,553	314,584
Timing of recognition of revenue from contracts with customers:					
Over time		69,582	70,624	198,566	187,754
At a point in time		15,031	5,396	25,225	27,826
		84,613	76,020	223,791	215,580

Revenue by geography is disclosed in note 3.

	Notes	30 September 2023 \$ 000	31 December 2022 \$ 000
Contract balances (IFRS 15)			
Trade receivables, net of loss allowance	9	68,689	87,584
Contract assets	9	21,604	55,332
Contract liabilities:			
Advances from customers - related parties		401,632	280,157
Advances from customers - others	12	1,989	1,460
Deferred revenue	14	26,350	24,809

During the period, the Group has received from the UAE Government (the "Government"), an Authorization to Proceed ("ATP") to provide satellite capacity and managed services for 17 years. This mandate, valued at AED 18.7 billion (USD 5.1 billion), combines related operations, maintenance and technology management services of ground segment satellite systems and terminals currently provided under a separate contract. The mandate has significantly increased the Group's contracted future revenues as at 30 September 2023.

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5 Income tax

The taxes mainly relate to the subsidiaries in the Netherlands, Nigeria and South Africa and are not significant.

UAE Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("UAE Corporate Tax Law" or "Law"). The Law became effective on 25 October 2022, and applies to taxable persons for financial years commencing on or after 1 June 2023. Accordingly, the Group's first tax year will commence on 1 January 2024.

The UAE Cabinet of Ministers Decision No. 116/2022, which came into effect in January 2023, confirmed that AED 375,000 is the threshold of income over which the 9% tax rate would apply. The Law is now considered to be enacted and accordingly the standard corporate tax rate of 9% is expected to apply to the Group. As required by IAS 12 Income Taxes, the Group assessed and concluded that no material temporary differences will arise in the financial statements of the Company and its UAE-based subsidiaries. The Group has not identified any material consolidation adjustments that would trigger any deferred taxes, as of and for the nine-month period ended 30 September 2023. In performing this assessment, the Group considered the provisions of the Law and the Cabinet Decisions issued. The Group will review future Cabinet decisions to assess if there is any impact on previously concluded position on deferred tax.

6 Property, plant and equipment

	30 September 2023 \$ 000	31 December 2022 \$ 000
At the beginning of the period/year	1,144,224	1,131,294
Additions	109,266	146,534
Depreciation	(114,067)	(135,238)
Transfer from investment property	-	1,834
Transfer to non-current assets classified as held for sale (note 11)	(6,002)	-
Transfer to inventories	(424)	-
Write-off	-	(17)
Exchange differences	(362)	(183)
At the end of the period/year	1,132,635	1,144,224

On 16 June 2023, the Group signed an Authorization-To-Proceed (ATP) with Airbus Defence and Space SAS to commence initial activities in relation to the Al Yah 4 and Al Yah 5 satellite programme. The ATP preserves the programme schedule, pending execution of the satellite procurement contract (Contract) by the end of the financial year, with the commencement of initial activities such as system requirements review, design work and procurement activities for long-lead items (ATP activities).

An initial payment of \$15.3 million was made in respect of the first ATP on 5 July 2023. The Group exercised the option to extend the validity of the ATP and therefore a second payment of \$28.1 million was made on 6 September 2023. Both payments will be adjusted against the purchase price of the satellite programme upon execution of the Contract and are currently recorded under capital work in progress as at 30 September 2023.

Capital work in progress of \$461.5 million (31 December 2022: \$359.8 million) is included in property, plant and equipment as of the end of the reporting period of which \$402.1 million (31 December 2022: \$349.7 million) relates to the Thuraya 4 satellite (T4-NGS) under construction. Additions during the period mainly relate to T4-NGS amounting to \$52.1 million and AY4/5 satellite program amounting to \$43.4 million.

Additions to property, plant and equipment during the nine months ended 30 September 2022 amounted to \$100.5 million of which additions to T4-NGS amounted to \$91.7 million.

During the period, the Group submitted an insurance claim as a result of certain anomalies impacting the estimated useful life of the Al Yah 3 satellite (AY3). In order to safeguard the future operability of the satellite, the Group has, in conjunction with recommendations from the satellite manufacturers, implemented immediate and long-term remedial actions. A revised estimate of the satellite's remaining lifetime has been completed during the second quarter using operational data from the two previous quarters. The satellite meanwhile continues to operate normally, despite the anomalies, and no loss of service to customers has occurred.

In accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' the Group has updated the remaining useful life of AY3 and related ground assets prospectively from 1 April 2023 to reflect the change in estimate. This has increased the depreciation charge for the current nine-month period by \$10.4 million. For the full year ending 31 December 2023, the increase is expected to be \$15.4 million (from \$12.5 million to \$27.9 million) and for the year ending 31 December 2024, the increase is expected to be \$17.7 million (from \$12.5 million to \$30.2 million).

There is no change in the end of life of the other four satellites (AY1, AY2, T2 and T3) which continue to operate normally, with no impact on satellite services.

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7 Equity-accounted investments

	30 September 2023 \$ 000	31 December 2022 \$ 000
At the beginning of the period/year	64,054	116,203
Return of investment from Al Maisan	(5,005)	(4,225)
Share of results for the period/year	(8,187)	(53,303)
Exchange differences	1,966	5,379
At the end of the period/year	52,828	64,054
of which Investment in HPE	40,232	46,796
of which Investment in Al Maisan	12,596	17,258

Share of results for the nine months ended 30 September 2022 was a loss of \$50,051 thousand which included an impairment loss of investment in an associate of \$40,575 thousand (also refer to note 3).

8 Other financial assets

	30 September 2023 \$ 000	31 December 2022 \$ 000
Preference shares (i)	2,955	2,950
Convertible loan (ii)	5,328	-
	8,283	2,950

i) In 2022, the Group invested in convertible preference shares ("preferred stock") of a start-up venture which aims to provide direct-to-satellite, ultra-low power, two-way, and low-latency narrowband connectivity solutions for IoT devices anywhere on earth. The preferred stock (Series-A) are non-cumulative, carry an option to convert into common stock and carry certain preferential rights upon dissolution. As the preferred stock does not carry any residual interest, the Group accounts for the investment at fair value through profit or loss. Based on an independent valuation exercise, the Group determined that the fair value of the preferred stock was \$2,955 thousand thereby recording a loss of \$1,045 thousand during the nine months ended 30 September 2023 reported in the condensed consolidated interim statement of profit or loss under 'Fair value (losses)/gains'.

ii) During the period, the Group entered into a Convertible Loan Agreement ("CLA") with a customer for a total Convertible Loan ("Loan") amount of \$17,500 thousand. At the date of signing the CLA, trade receivable balances amounting to \$15,750 thousand due from the customer were settled through conversion to the Loan and the remaining amount of \$1,750 thousand is due for conversion to CLA on 1 October 2023. The key terms of the CLA are as follows:

- 1) The maturity date of the loan is 31 December 2026.
- 2) The loan carries a simple interest of 8% per annum which is payable upon conversion, a redemption event, or maturity date, whichever occurs first.
- 3) The Group has the right to convert the outstanding amounts of the Loan (Loan amount and accrued interest) on the date of conversion into equity at any time before the maturity date. The conversion price is determined based on a pre-money valuation of qualifying financing rounds, subject to a cap.
- 4) In the event, the conversion option is not exercised, the outstanding amounts at the maturity date will be repaid to the Group.

The conversion option meets the definition of a derivative since the Loan (which has a fixed value) may be settled by the customer in the future, by exchanging it for a variable number of its shares whose value may change according to the underlying performance of its business. Therefore, the CLA is classified as a Hybrid contract with an embedded derivative which comprises both a host asset (the Loan) and a derivative (the conversion option), and accordingly measured at fair value through profit or loss in accordance with the requirements of IFRS 9 'Financial Instruments'. As at 30 September 2023, Management determined the fair value of the Loan as \$5,328 thousand (against the carrying amount of \$15,750 thousand) and accordingly recognized a fair value loss of \$10,422 thousand in the condensed consolidated interim statement of profit or loss under 'Fair value (losses)/gains' during the nine months ended 30 September 2023 (2022: nil).

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9 Trade and other receivables

	30 September 2023 \$ 000	31 December 2022 \$ 000
Trade receivables	88,836	103,826
Allowance for expected credit losses	(20,147)	(16,242)
Trade receivables, net of allowance	68,689	87,584
Contract assets - accrued income	21,604	55,332
Prepayments - orbital services	10,000	10,000
Prepayments - others	3,281	1,936
Advances to suppliers	16,527	13,384
Other receivables, net of allowance	17,577	10,405
Total trade and other receivables	137,678	178,641
of which non-current	10,340	10,382
of which current	127,338	168,259

10 Cash and short term deposits

	30 September 2023 \$ 000	31 December 2022 \$ 000
Cash on hand and in banks	7,538	27,222
Cash in banks - related parties	139,217	125,620
Short-term deposits with banks - related parties *	401,971	266,172
Short-term deposits with banks - others *	110,496	125,685
Cash and short-term deposits	659,222	544,699
Less: Short-term deposits with original maturities of over three months	(421,537)	(330,705)
Cash and cash equivalents	237,685	213,994

* During the period, the Group a) placed short term deposits with banks (related parties \$393,137 thousand and others \$119,777 thousand) and b) received maturity proceeds on short term deposits (related parties \$257,338 thousand and others \$133,379 thousand).

11 Non-current assets classified as held for sale

	Notes	30 September 2023 \$ 000	31 December 2022 \$ 000
Investment property		19,981	-
Property, plant and equipment	6	6,002	-
		25,983	-

On 3 April 2023, the Board of Directors approved a proposal to initiate sale of Thuraya's property located in Dubai and appointed a committee to manage the sale process. The majority of the property was on lease or available for lease, hence was classified as an investment property, with the remainder of the property self-occupied by Thuraya and accounted under Property, Plant and Equipment at historical cost depreciated over its remaining useful life. Consequent to the Board approval effective from that date, the property, a non-current asset under Mobility solutions segment, meets the criteria for classification as held for sale on the basis that its carrying amount is expected to be recovered principally through a sale transaction. As per the requirements of IFRS-5 'Non-current Assets Held for Sale and Discontinued Operations' the property has been classified as held for sale and is carried at the lower of its carrying amount and fair value less costs to sell.

Since the fair value less costs to sell of the property exceed the carrying amount of \$25,983 thousand, no fair value adjustments have been made.

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12 Trade and other payables

	Notes	30 September 2023 \$ 000	31 December 2022 \$ 000
Trade payables		14,567	48,630
Accruals		38,885	35,699
Advance from customers - related party	16	522,347	443,115
Advance from customers - others		1,989	1,460
Other payables		59,657	9,936
Total trade and other payables		637,445	538,840
of which non-current		446,704	367,679
of which current		190,741	171,161

13 Borrowings

	30 September 2023 \$ 000	31 December 2022 \$ 000
The carrying amount of borrowings are as follows:		
A) Term loans:		
Principal amounts	493,702	535,208
Unamortised transaction costs	(12,540)	(14,045)
Term loans - net of unamortised transaction costs	481,162	521,163
B) Lease liabilities	6,661	7,165
Total borrowings	487,823	528,328
of which current	86,250	121,077
of which non-current	401,573	407,251

A) Term loans

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

	Repayment tenor Years	Principal amount \$ 000	Unamortised transaction costs \$ 000	Carrying amount \$ 000
At 30 September 2023				
Term loan 5	2022-2026	280,000	(2,518)	277,482
Term loan 6	2024-2032	213,702	(10,022)	203,680
		493,702	(12,540)	481,162
At 31 December 2022				
Term loan 5	2022-2026	340,000	(3,210)	336,790
Term loan 6	2024-2032	195,208	(10,835)	184,373
		535,208	(14,045)	521,163

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13 Borrowings (continued)

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

	30 September 2023 \$ 000	31 December 2022 \$ 000
The movements in term loans are as follows:		
At the beginning of the period/year	521,163	515,701
Additions (cash)	8,483	61,687
Additions (interest capitalised)	10,011	1,671
Transaction costs	-	969
Amortisation of transaction costs	1,505	2,104
Repayments (cash)	(60,000)	(60,969)
At the end of the period/year	481,162	521,163

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

	Term loan 5 \$ 000	Term loan 6 \$ 000	Total \$ 000
At 30 September 2023			
Within one year	85,000	-	85,000
1 - 2 years	80,000	25,141	105,141
2 - 5 years	115,000	75,424	190,424
Beyond 5 years	-	113,137	113,137
	280,000	213,702	493,702
At 31 December 2022			
Within one year	120,000	-	120,000
1 - 2 years	50,000	11,483	61,483
2 - 5 years	170,000	68,897	238,897
Beyond 5 years	-	114,828	114,828
	340,000	195,208	535,208

During the period, an amount of \$8,483 thousand was drawn from the ECA Facility (Term loan 6) and interest amounting to \$10,011 thousand was capitalised into the principal amount. As of 30 September 2023, the unutilised facility amounted to \$58.35 million (31 December 2022: \$76.84 million). The Group also repaid the second instalment of Term loan 5 amounting to \$60,000 thousand during the period.

During the nine months ended 30 September 2022, additions amounting to \$55,182 thousand were made and interest amounting to \$1,671 thousand was capitalised into the principal amount.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including replacement of some interbank offered rates (IBORS) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group finished the process of implementing appropriate fallback clauses for all US Dollar LIBOR indexed exposures, in accordance with clause 22.7 (replacement of Screen Rate) and 22.8 (Replacement of Benchmark) under the Common Term Agreement. These clauses automatically switch the instrument from USD LIBOR to SOFR as and when US Dollar LIBOR ceases. As announced by Financial Conduct Authority (FCA) in early 2022, the panel bank submissions for the overnight and 12-month US Dollar LIBOR ceased on 30 June 2023.

The Group engaged and worked closely with the Global Agent and the counterparties to mitigate the risk arising from the transition and executed the options of adoption of the replacement benchmark (SOFR). The group received a confirmation from the Global Agent that all the condition precedents regarding the Amended and Restated Loan Agreement ("ARA") are met effective from 26 September 2023 although the ARA was signed on 5 July 2023. Since the USD Libor transition deadline was 30th June and the interest rate for the Group's derivative financial instruments has been fixed from 14th June 2023 to 14th December 2023, the interest rate swaps would reference SOFR from 14th December 2023. The Group has updated the hedge documentation in response to the changes in the hedging instruments and hedged items as a result of IBOR reform and concluded that the hedge remains effective.

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13 Borrowings (continued)

B) Lease liabilities

	30 September 2023 \$ 000	31 December 2022 \$ 000
The movements in lease liabilities are as follows:		
At the beginning of the period/year	7,165	16,536
Additions	-	5,886
Accretion of interest	168	836
Termination	(15)	(11,258)
Payments	(651)	(4,824)
Exchange differences	(6)	(11)
At the end of the period/year	6,661	7,165

14 Deferred revenue

	30 September 2023 \$ 000	31 December 2022 \$ 000
Deferred revenue relating to a capacity services contract with a related party *	59,758	-
Unutilized airtime balances from prepaid scratch cards and SIM cards	14,753	14,149
Others **	7,855	10,660
Total deferred revenue	82,366	24,809

* As of 30 September 2023, contract liabilities (IFRS 15) included within the deferred revenue relating to a capacity services contract with a related party amounted to \$26,350 thousand (31 December 2022: Nil). The remaining amount relates to leases (IFRS 16).

** Mainly include deferred revenue from managed services, Orbital resources (Channel bandwidth) and airtime contracts.

15 Capital commitments and contingent liabilities

	30 September 2023 \$ 000	31 December 2022 \$ 000
Capital commitments - committed and contracted	158,069	157,836
Contingent liabilities - performance bonds provided by banks in the normal course of business	30,067	36,439

Capital commitments mainly relate to T4-NGS project.

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16 Related party transactions

	Nine months ended 30 September	
	2023	2022
	\$ 000	\$ 000
Transaction with related parties		
Revenue		
Entities under common control*	228,824	234,536
Associate	1,149	1,098
Total	229,973	235,634
Interest income on short term deposits - with banks		
Entities under common control	13,330	2,454
Interest on term loans - from banks, net of hedges		
Entities under common control	(11,167)	709
Interest on contract liability		
Entities under common control	4,648	940
Outsourced expenses, office lease rent, systems support		
Entities under common control	936	910
Cost of sales		
Entities under common control	189	98
Associate	1,184	924
Total	1,373	1,022
Advance from a related party		
Entities under common control **	150,021	150,021
Key management personnel compensation		
Short term employment benefits	3,335	3,585
Post-employment benefits	257	308

Board of directors and committee fees charged to the condensed consolidated interim statement of profit or loss during the period were \$1,324 thousand (nine months ended 30 September 2022: \$2,039 thousand).

* Revenue from entities under common control includes \$223.3 million (nine months ended 30 September 2022: \$226.9 million) from a single customer. The revenue from this customer is recorded under infrastructure, managed solutions and mobility solutions segments.

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

** On 17 June 2021, the Group signed the T4-NGS capacity services agreement with a government entity (T4-NGSA) for a total contract value of \$708.4 million. The term of the T4-NGSA is 15 years from the date of commencement of Operational services of T4-NGS which is expected in the first half of 2025. Pursuant to the terms of T4-NGSA, the Group is entitled to receive an aggregate amount of \$300 million as "Advance Payment" in two equal instalments starting from June 2022. Accordingly, the Group received the two instalments of \$150 million each during July 2022 and June 2023, respectively.

17 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 Thuraya building classified as held for sale as at 30 September 2023 (Investment property as at 31 December 2022) is classified as Level 2. The fair value has been determined by an external valuer based on transactions observable in the market.

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17 Fair value disclosures (continued)

The fair value measurement of the preference stock is classified as Level 2. The fair value was determined by an external valuation expert giving due weightage to both Market and Income approaches. Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business while Income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

The fair value of the Convertible loan was determined using the discounted cash flow method by converting the projected cash flows to their present value using a discount rate commensurate with the risk associated with the cashflows of the CLA. The fair value measurement of the CLA is classified as Level 3.

There were no transfers between Level 1, Level 2 and Level 3 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.

18 Dividends

On 27 February 2023, the Board of Directors proposed a final dividend of \$53.5 million representing 2.19 cents (8.06 fils) per share for the second half of the financial year 2022 bringing the total dividends per share to 4.39 cents (16.12 fils) per share for the year ended 31 December 2022. The proposed dividend was approved by the shareholders at the annual general assembly held on 5 April 2023 and paid on 3 May 2023.

On 20 September 2023, the Company declared an interim cash dividend of \$54.7 million representing 2.24 cents (8.23 fils) per share for the financial year 2023. The dividend was paid on 16 October 2023.

During the nine months ended 30 September 2022, the Company paid total dividends of \$106 million as follows:

- i) \$52.5 million representing 2.15 cents (7.90 fils) per share for the second half of the financial year 2021 bringing the total dividends per share to 4.30 cents (15.80 fils) per share for the year ended 31 December 2021. The dividend was paid on 9 May 2022.
- ii) \$53.5 million representing 2.19 cents (8.06 fils) per share for the first half of the financial year 2022. The dividend was paid on 14 October 2022.

19 Earnings per share

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
Profit (loss) for the period attributable to the Shareholders (in \$'000)	26,447	(10,217)	71,753	35,144
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)	1.08	(0.42)	2.94	1.44
Basic and diluted earnings per share (fils)	3.98	(1.54)	10.80	5.29

20 Seasonality and cyclicity of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the nine months ended 30 September 2023 and 2022.

AI Yah Satellite Communications Company PJSC

Supplemental information to the condensed consolidated interim financial statements

for the nine months ended 30 September 2023 (Unaudited)

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 September		Nine months ended 30 September	
	2023	2022	2023	2022
	AED 000	AED 000	AED 000	AED 000
Revenue	431,449	400,365	1,184,576	1,155,310
Cost of revenue	(65,470)	(31,488)	(128,361)	(111,413)
Staff costs	(76,028)	(82,091)	(228,889)	(235,664)
Other operating expenses ⁽¹⁾	(46,233)	(42,810)	(136,716)	(120,153)
Other income	6,225	1,946	11,524	5,869
Adjusted EBITDA	249,943	245,922	702,134	693,949
Depreciation and amortisation	(147,084)	(132,779)	(426,296)	(396,788)
Fair value (losses)/gains ⁽²⁾	(18,733)	-	(42,113)	2,938
Operating profit	84,126	113,143	233,725	300,099
Finance income	28,620	11,458	68,914	16,490
Finance costs	(11,142)	(9,115)	(32,535)	(21,995)
Net finance income (costs)	17,478	2,343	36,379	(5,505)
Share of results of equity-accounted investments ⁽³⁾	(12,277)	(159,699)	(30,067)	(183,812)
Profit (loss) before income tax	89,327	(44,213)	240,037	110,782
Income tax expense	(264)	(180)	(823)	(444)
Profit (loss) for the period	89,063	(44,393)	239,214	110,338
Loss for the period attributable to non-controlling interests	(8,065)	(6,871)	(24,297)	(18,730)
Profit (loss) for the period attributable to the Shareholders	97,128	(37,522)	263,511	129,068
Earnings per share				
Basic and diluted (fils per share)	3.98	(1.54)	10.80	5.29

⁽¹⁾ Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and nine months ended 30 September 2023, there was a net charge of AED 8,915 thousand and AED 15,569 thousand respectively. For the three months and nine months ended 30 September 2022, there was a net reversal of expected credit losses of AED 555 thousand and AED 3,232 thousand respectively.

⁽²⁾ Fair value losses/gains include fair value changes on other financial assets (refer note 8) and investment property which is now classified as held for sale (refer note 11). There were no fair value losses/gains recorded in respect of investment property in the current period (2022: AED 2,938 thousand). Fair value losses of AED 18,733 thousand and AED 42,113 thousand were recorded in respect of other financial assets in the three months and nine months ended 30 September 2023 (2022: nil) respectively.

⁽³⁾ Share of results of equity-accounted investments for the three months and nine months ended 30 September 2022 include impairment loss of investment in an associate of AED 149,012 thousand.

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

for the nine months ended 30 September 2023 (Unaudited)

ii) Condensed consolidated interim statement of comprehensive income

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	AED 000	AED 000	AED 000	AED 000
Profit (loss) for the period	89,063	(44,393)	239,214	110,338
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedge - effective portion of changes in fair value	24,253	50,592	47,188	162,589
Cash flow hedge - gain reclassified to profit or loss	(19,431)	(8,759)	(56,828)	(3,610)
Foreign operations - currency translation differences	(5,707)	(10,437)	6,402	14,411
	(885)	31,396	(3,238)	173,390
Item that may not be reclassified to profit or loss in subsequent periods:				
Remeasurement of defined benefit obligation	881	-	(1,179)	-
Other comprehensive income (loss) for the period	(4)	31,396	(4,417)	173,390
Total comprehensive income (loss) for the period	89,059	(12,997)	234,797	283,728
Total comprehensive loss attributable to non-controlling interests	(6,732)	(6,905)	(23,335)	(18,679)
Total comprehensive income (loss) attributable to the Shareholders	95,791	(6,092)	258,132	302,407

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

for the nine months ended 30 September 2023 (Unaudited)

iii) Condensed consolidated interim statement of financial position

	30 September 2023 AED 000	31 December 2022 AED 000
Assets		
Property, plant and equipment	4,159,602	4,202,163
Investment property	-	73,380
Right-of-use assets	19,541	21,491
Intangible assets	23,394	26,479
Equity-accounted investments	194,011	235,238
Trade and other receivables	37,974	38,128
Derivative financial instruments	128,457	118,306
Other financial assets	30,419	10,834
Deferred income tax assets	551	485
Total non-current assets	4,593,949	4,726,504
Inventories	52,777	26,560
Trade and other receivables	467,649	617,931
Derivative financial instruments	62,697	63,174
Income tax assets	668	668
Cash and short-term deposits*	2,420,993	2,000,407
	3,004,784	2,708,740
Non-current assets classified as held for sale	95,423	-
Total current assets	3,100,207	2,708,740
Total assets	7,694,156	7,435,244
Liabilities		
Trade and other payables	700,496	628,590
Borrowings	316,753	444,655
Deferred revenue	302,489	91,111
Income tax liabilities	1,146	790
Total current liabilities	1,320,884	1,165,146
Trade and other payables	1,640,523	1,350,301
Borrowings	1,474,777	1,495,629
Defined benefit obligations	32,792	36,347
Total non-current liabilities	3,148,092	2,882,277
Total liabilities	4,468,976	4,047,423
Net assets	3,225,180	3,387,821
Equity		
Share capital	2,439,770	2,439,770
Hedging reserve	168,127	177,767
Statutory reserve	76,862	76,862
Translation reserve	(84,126)	(89,440)
Remeasurement reserve	5,927	6,980
Retained earnings	379,926	513,853
Equity attributable to the Shareholders	2,986,486	3,125,792
Non-controlling interests	238,694	262,029
Total equity	3,225,180	3,387,821

*Cash and short term deposits include cash and cash equivalents of AED 872,898 thousand (31 December 2022: AED 785,893 thousand).

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Supplemental information to the condensed consolidated interim financial statements
for the nine months ended 30 September 2023 (Unaudited)

iv) Condensed consolidated interim statement of changes in equity

	Attributable to the Shareholders					Non-controlling interests AED 000	Total equity AED 000
	Share capital	Hedging reserve	Other Reserves ⁽¹⁾	Retained earnings	Total		
	AED 000	AED 000	AED 000	AED 000	AED 000		
At 1 January 2022	2,439,770	19,927	(73,894)	704,180	3,089,983	281,688	3,371,671
Profit (loss) for the period	-	-	-	129,068	129,068	(18,730)	110,338
Other comprehensive income:							
Cash flow hedge - effective portion of changes in fair value	-	162,589	-	-	162,589	-	162,589
Cash flow hedge - net gain reclassified to profit or loss	-	(3,610)	-	-	(3,610)	-	(3,610)
Currency translation differences	-	-	14,359	-	14,359	52	14,411
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-
Other comprehensive income for the period	-	158,979	14,359	-	173,338	52	173,390
Total comprehensive income (loss) for the period	-	158,979	14,359	129,068	302,406	(18,678)	283,728
Transactions with the Shareholders:							
Dividends	-	-	-	(389,384)	(389,384)	-	(389,384)
At 30 September 2022	2,439,770	178,906	(59,535)	443,864	3,003,005	263,010	3,266,015
At 1 January 2023	2,439,770	177,767	(5,598)	513,853	3,125,792	262,029	3,387,821
Profit (loss) for the period	-	-	-	263,511	263,511	(24,297)	239,214
Other comprehensive income:							
Cash flow hedge - effective portion of changes in fair value	-	47,188	-	-	47,188	-	47,188
Cash flow hedge - net gain reclassified to profit or loss	-	(56,828)	-	-	(56,828)	-	(56,828)
Currency translation differences	-	-	5,315	-	5,315	1,087	6,402
Remeasurement of defined benefit obligation	-	-	(1,054)	-	(1,054)	(125)	(1,179)
Other comprehensive income (loss) for the period	-	(9,640)	4,261	-	(5,379)	962	(4,417)
Total comprehensive income (loss) for the period	-	(9,640)	4,261	263,511	258,132	(23,335)	234,797
Transactions with the Shareholders:							
Dividends	-	-	-	(397,438)	(397,438)	-	(397,438)
At 30 September 2023	2,439,770	168,127	(1,337)	379,926	2,986,486	238,694	3,225,180

⁽¹⁾ Other reserves include statutory reserve, translation reserve and remeasurement reserve.

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

for the nine months ended 30 September 2023 (Unaudited)

v) Condensed consolidated interim statement of cash flows

	Nine months ended 30 September	
	2023 AED 000	2022 AED 000
Operating activities		
Profit before income tax	240,037	110,782
Adjustments for:		
Share of results of equity-accounted investments	30,067	183,812
Depreciation and amortisation	426,296	396,788
Allowance for (reversal of) expected credit losses	15,568	(3,232)
Reversal of allowance for slow-moving inventories	(433)	(37)
Fair value losses (gains)	42,113	(2,938)
Finance income	(68,914)	(16,490)
Finance costs	32,535	21,995
Write-off of property, plant and equipment	-	92
Current service cost/charge for the period	3,228	5,839
Operating profit before working capital changes	720,497	696,611
Working capital changes:		
Trade and other receivables	103,987	(175,490)
Inventories	(24,227)	(4,738)
Trade and other payables	189,530	512,754
Deferred revenue	211,378	234,801
Payments for defined benefit obligations	(9,214)	(1,682)
Income tax paid	(533)	(169)
Net cash from operating activities	1,191,418	1,262,087
Investing activities		
Purchases of property, plant and equipment	(419,881)	(395,958)
Additions to intangible assets	(2,405)	(3,291)
Return of investment in an associate	18,381	15,516
Acquisition of other financial assets	(3,856)	(5,142)
Receipt of short-term deposits with original maturity of over three months	1,121,137	175,002
Investments in short-term deposits with original maturity of over three months	(1,468,684)	(1,158,663)
Interest received	41,944	16,490
Net cash used in investing activities	(713,364)	(1,356,046)
Financing activities		
Proceeds from term loan	31,154	202,656
Repayment of term loan	(220,350)	-
Payment of lease liabilities	(2,391)	(18,498)
Interest paid net of derivative settlements	(17,286)	(34,812)
Dividend paid to the Shareholders	(196,644)	(192,740)
Net cash used in financing activities	(405,517)	(43,394)
Net increase (decrease) in cash and cash equivalents	72,537	(137,353)
Net foreign exchange difference	14,468	2,264
Cash and cash equivalents at the beginning of the period	785,893	1,019,993
Cash and cash equivalents as at the end of the period	872,898	884,904

A significant non-cash transaction of conversion of trade receivable into Convertible Loan for an amount of AED 57,842 thousand is excluded from the condensed consolidated interim statement of cash flows. Refer to note 8.