

**Al Yah Satellite Communications Company PJSC**

**Condensed consolidated interim financial statements**

For the three months ended 31 March 2024

# Al Yah Satellite Communications Company PJSC

## Condensed consolidated interim financial statements

For the three months ended 31 March 2024



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## Al Yah Satellite Communications Company PJSC

### Board of Directors' Report

31 March 2024

The Directors have pleasure in presenting their report, together with the reviewed condensed consolidated interim financial statements of Al Yah Satellite Communications Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the three months ended 31 March 2024.

#### 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 three months ended 31 March 2024, the Group reported revenue of \$101,017 thousand (31 March 2023: \$100,355 thousand) and profit for the period attributable to its shareholders of \$52,909 thousand (31 March 2023: \$27,072 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 17 of the condensed consolidated interim financial statements.

#### Directors

Dr. Bakheet Al Katheeri	Chairman (effective from 25 April 2024)
H.E. Musabbeh Al Kaabi	Chairman (effective till 25 April 2024)
H.E. Tareq Abdul Raheem Al Hosani	Vice Chairman
Karim Michel Sabbagh	Member (effective from 25 April 2024)
Ismail Ali Abdulla	Member (effective from 25 April 2024)
Peng Xiao	Member (effective till 25 April 2024)
Badr Al Olama	Member (effective till 25 April 2024)
H.E. Rashed Al Ghafri	Member
H.E. Masood M. Sharif Mahmood	Member
H.E. Maryam Eid Khamis AIMheiri	Member
Gaston Urda	Member
Adrian Georges Steckel	Member

#### Auditors

The condensed consolidated interim financial statements for the three months ended 31 March 2024 have been reviewed by RAI Audit and Tax Services LLC.

#### On behalf of the Board of Directors



Chairman of the Board  
Dr. Bakheet Al Katheeri

Date: 13 May 2024

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 31 March 2024;
- the condensed consolidated interim statement of profit or loss for the three months ended 31 March 2024;
- the condensed consolidated interim statement of comprehensive income for the three months ended 31 March 2024;
- the condensed consolidated interim statement of changes in equity for the three months ended 31 March 2024;
- the condensed consolidated interim statement of cash flows for the three months ended 31 March 2024; 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.

For RAI Audit and Tax Services,



Auditor Name: Ashraf Eradhun

Entry Number: 5446

Date: 13 May 2024

Abu Dhabi, United Arab Emirates

**Al Yah Satellite Communications Company PJSC**  
**Condensed consolidated interim statement of profit or loss**  
for the three months ended 31 March 2024 (Unaudited)



	Notes	Three months ended 31 March	
		2024 \$ 000	2023 \$ 000
<b>Revenue</b>	4	101,017	100,355
Cost of revenue		(6,096)	(6,911)
Staff costs		(20,082)	(22,541)
Other operating expenses <sup>(1)</sup>		(9,735)	(11,068)
Other income	5	30,778	780
<b>Adjusted EBITDA <sup>(2)</sup></b>		<b>95,882</b>	<b>60,615</b>
Depreciation and amortisation		(38,073)	(35,668)
Fair value loss	9	(2,910)	-
<b>Operating profit</b>		<b>54,899</b>	<b>24,947</b>
Finance income		7,281	5,355
Finance costs		(3,264)	(2,135)
<b>Net finance income</b>		<b>4,017</b>	<b>3,220</b>
Share of results of equity-accounted investments	8	(2,890)	(2,278)
<b>Profit before income tax</b>		<b>56,026</b>	<b>25,889</b>
Income tax expense	6	(5,399)	(52)
<b>Profit for the period</b>		<b>50,627</b>	<b>25,837</b>
Loss for the period attributable to non-controlling interests		(2,282)	(1,235)
<b>Profit for the period attributable to the Shareholders</b>		<b>52,909</b>	<b>27,072</b>
<b>Earnings per share</b>			
Basic and diluted (cents per share)	20	2.17	1.11

<sup>(1)</sup> Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months ended 31 March 2024, there was a net charge of \$314 thousand (three months ended 31 March 2023: \$197 thousand).

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

The notes on pages 6 to 17 form part of these condensed consolidated interim financial statements.

The auditor's review report is set out on page ii.

**Al Yah Satellite Communications Company PJSC**  
**Condensed consolidated interim statement of comprehensive income**  
for the three months ended 31 March 2024 (Unaudited)



	Three months ended 31 March	
	2024 \$ 000	2023 \$ 000
<b>Profit for the period</b>	<b>50,627</b>	<b>25,837</b>
<b>Other comprehensive income (loss):</b>		
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>		
Cash flow hedge - effective portion of changes in fair value	6,284	(1,989)
Cash flow hedge - net gain reclassified to profit or loss	(4,841)	(5,051)
Foreign operations - currency translation differences	(1,345)	1,020
	<b>98</b>	<b>(6,020)</b>
<b>Item that may not be reclassified to profit or loss in subsequent periods:</b>		
Remeasurement of defined benefit obligation	(31)	28
<b>Other comprehensive income (loss) for the period</b>	<b>67</b>	<b>(5,992)</b>
<b>Total comprehensive income for the period</b>	<b>50,694</b>	<b>19,845</b>
Total comprehensive loss attributable to non-controlling interests	(2,317)	(1,297)
<b>Total comprehensive income attributable to the Shareholders</b>	<b>53,011</b>	<b>21,142</b>

The notes on pages 6 to 17 form part of these condensed consolidated interim financial statements.

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

As at 31 March 2024



	Notes	(Unaudited) 31 March 2024 \$ 000	(Audited) 31 December 2023 \$ 000
<b>Assets</b>			
Property, plant and equipment	7	1,105,734	1,122,699
Right-of-use assets		4,977	5,149
Intangible assets		15,078	14,840
Equity-accounted investments	8	45,852	49,912
Trade and other receivables	10	340	10,610
Derivative financial instruments		26,508	22,390
Other financial assets	9	2,955	5,865
Deferred income tax assets		196	199
<b>Total non-current assets</b>		<b>1,201,640</b>	<b>1,231,664</b>
Inventories		14,398	14,357
Trade and other receivables	10	170,020	139,521
Derivative financial instruments		14,740	12,574
Income tax assets		182	182
Cash and short-term deposits *	11	615,142	562,080
		<b>814,482</b>	<b>728,714</b>
Non-current assets classified as held for sale	12	<b>28,040</b>	<b>28,040</b>
<b>Total current assets</b>		<b>842,522</b>	<b>756,754</b>
<b>Total assets</b>		<b>2,044,162</b>	<b>1,988,418</b>
<b>Liabilities</b>			
Trade and other payables	13	131,471	159,117
Borrowings	14	62,740	62,753
Deferred revenue	15	86,141	24,577
Income tax liabilities		5,464	276
<b>Total current liabilities</b>		<b>285,816</b>	<b>246,723</b>
Trade and other payables	13	413,810	449,077
Borrowings	14	378,675	377,956
Defined benefit obligations		9,327	8,929
Deferred income tax liabilities		1,072	965
<b>Total non-current liabilities</b>		<b>802,884</b>	<b>836,927</b>
<b>Total liabilities</b>		<b>1,088,700</b>	<b>1,083,650</b>
<b>Net assets</b>		<b>955,462</b>	<b>904,768</b>
<b>Equity</b>			
Share capital		664,334	664,334
Hedging reserve		35,498	34,055
Statutory reserve		30,049	30,049
Translation reserve		(22,565)	(21,255)
Remeasurement reserve		1,549	1,580
Retained earnings		185,856	132,947
<b>Equity attributable to the Shareholders</b>		<b>894,721</b>	<b>841,710</b>
Non-controlling interests		60,741	63,058
<b>Total equity</b>		<b>955,462</b>	<b>904,768</b>

\* Cash and short term deposits include cash and cash equivalents of \$301,805 thousand (31 December 2023: US\$ 263,698 thousand).

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 13 May 2024 and approved on their behalf by:

Chairman of the Board  
 Dr. Bakheet Al Katheeri

Chief Executive Officer  
 Ali Hashem Al Hashemi

Chief Financial Officer  
 Andrew Francis Cole

The notes on pages 6 to 17 form part of these condensed consolidated interim financial statements.

The auditor's review report is set out on page ii.

	Attributable to the Shareholders				Total \$ 000	Non- controlling interests \$ 000	Total equity \$ 000
	Share capital \$ 000	Hedging reserve \$ 000	Other reserves <sup>(1)</sup> \$ 000	Retained earnings \$ 000			
	<b>At 1 January 2023</b>	<b>664,334</b>	<b>48,405</b>	<b>(1,523)</b>			
Profit (loss) for the period	-	-	-	27,072	27,072	(1,235)	25,837
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	(1,989)	-	-	(1,989)	-	(1,989)
Cash flow hedge - net gain reclassified to profit or loss	-	(5,051)	-	-	(5,051)	-	(5,051)
Currency translation differences	-	-	1,058	-	1,058	(38)	1,020
Remeasurement of defined benefit obligation	-	-	52	-	52	(24)	28
<b>Other comprehensive (loss) income for the period</b>	<b>-</b>	<b>(7,040)</b>	<b>1,110</b>	<b>-</b>	<b>(5,930)</b>	<b>(62)</b>	<b>(5,992)</b>
<b>Total comprehensive (loss) income for the period</b>	<b>-</b>	<b>(7,040)</b>	<b>1,110</b>	<b>27,072</b>	<b>21,142</b>	<b>(1,297)</b>	<b>19,845</b>
<b>At 31 March 2023</b>	<b>664,334</b>	<b>41,365</b>	<b>(413)</b>	<b>166,991</b>	<b>872,277</b>	<b>70,052</b>	<b>942,329</b>
<b>At 1 January 2024</b>	<b>664,334</b>	<b>34,055</b>	<b>10,374</b>	<b>132,947</b>	<b>841,710</b>	<b>63,058</b>	<b>904,768</b>
Profit (loss) for the period	-	-	-	52,909	52,909	(2,282)	50,627
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	6,284	-	-	6,284	-	6,284
Cash flow hedge - net gain reclassified to profit or loss	-	(4,841)	-	-	(4,841)	-	(4,841)
Currency translation differences	-	-	(1,310)	-	(1,310)	(35)	(1,345)
Remeasurement of defined benefit obligation	-	-	(31)	-	(31)	-	(31)
<b>Other comprehensive income (loss) for the period</b>	<b>-</b>	<b>1,443</b>	<b>(1,341)</b>	<b>-</b>	<b>102</b>	<b>(35)</b>	<b>67</b>
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>1,443</b>	<b>(1,341)</b>	<b>52,909</b>	<b>53,011</b>	<b>(2,317)</b>	<b>50,694</b>
<b>At 31 March 2024</b>	<b>664,334</b>	<b>35,498</b>	<b>9,033</b>	<b>185,856</b>	<b>894,721</b>	<b>60,741</b>	<b>955,462</b>

<sup>(1)</sup> Other reserves include statutory reserve, translation reserve and IAS 19 remeasurement reserve.

The notes on pages 6 to 17 form part of these condensed consolidated interim financial statements.

The auditor's review report is set out on page ii.



**Al Yah Satellite Communications Company PJSC**  
**Condensed consolidated interim statement of cash flows**  
for the three months ended 31 March 2024 (Unaudited)



	Notes	Three months ended 31 March	
		2024 \$ 000	2023 \$ 000
<b>Operating activities</b>			
Profit before income tax		56,026	25,889
Adjustments for:			
Share of results of equity-accounted investments		2,890	2,278
Depreciation and amortisation		38,073	35,668
Income from liquidated damages	5	(30,000)	-
Allowance for expected credit losses		314	197
Allowance for slow-moving inventories		100	30
Fair value loss		2,910	-
Finance income		(7,281)	(5,355)
Finance costs		3,264	2,135
Current service cost		287	314
<b>Operating profit before working capital changes</b>		<b>66,583</b>	<b>61,156</b>
Working capital changes:			
Trade and other receivables		9,966	(23,936)
Inventories		(30)	(4,825)
Trade and other payables		(66,131)	(58,350)
Deferred revenue		61,564	60,142
Payments for defined benefit obligations		(29)	(632)
Income tax paid		(101)	(120)
<b>Net cash from operating activities</b>		<b>71,822</b>	<b>33,435</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment		(18,097)	(34,844)
Additions to intangible assets		(540)	(78)
Return of investment in an associate		-	5,005
Acquisition of other financial assets		-	(750)
Receipt of short-term deposits with original maturity of over three months		53,169	40,000
Investments in short-term deposits with original maturity of over three months		(68,169)	(123,054)
Interest received		3,772	5,355
<b>Net cash used in investing activities</b>		<b>(29,865)</b>	<b>(108,366)</b>
<b>Financing activities</b>			
Proceeds from term loan		-	7,146
Payment of lease liabilities		(29)	(30)
Interest paid		(3,751)	(5,034)
<b>Net cash (used in) from financing activities</b>		<b>(3,780)</b>	<b>2,082</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>38,177</b>	<b>(72,849)</b>
Net foreign exchange difference		(70)	28
Cash and cash equivalents at the beginning of the period		263,698	213,994
<b>Cash and cash equivalents as at the end of the period</b>		<b>301,805</b>	<b>141,173</b>

The notes on pages 6 to 17 form part of these condensed consolidated interim financial statements.  
The auditor's review report is set out on page ii.

## 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.

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 Mamoura Diversified Global Holding PJSC (the "Parent Company" or the "Shareholder"), which is owned by Mubadala Investment Company PJSC, an entity wholly owned by the Government of Abu Dhabi.

On 19 December 2023, the Board of Directors of Yahsat and Bayanat AI PLC ("Bayanat"), a leading AI-powered geospatial solutions provider also listed on ADX, announced a recommendation to shareholders for the merger of these two entities. The proposed merger aims to create an AI-powered space technology champion in the MENA region with global reach and will be executed through a share swap with Bayanat as the remaining legal entity to be rebranded as "Space42". The merger is subject to a number of terms and conditions as set out under the Merger Agreement entered into between Yahsat and Bayanat on 18 December 2023, including regulatory approvals from governmental authorities including the Securities and Commodities Authority and the ADGM Registration Authority and the approval of shareholders representing 75% of the voting rights present and voting at a quorate general assembly meeting of each of Bayanat and Yahsat. On 25 April 2024, the shareholders of Bayanat and Yahsat have approved the merger in their respective annual general meetings however, the merger is still subject to aforementioned other terms and conditions. Bayanat and Yahsat will continue to operate independently until the merger is effective.

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 condensed consolidated interim financial statements of the Group have been prepared on a going concern basis given that there are no significant doubts on the Group's ability to continue its business activities post the merger as it is merely a change in ownership and the proposed merger is dependent on a number of conditions and approvals as mentioned in the above paragraph.

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.

## 2 Material 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 2023 ('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 2024 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 and assets held for sale which are measured at the lower of carrying amount and fair value less cost to sell. 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 judgement.

#### Income from liquidated damages

During the period, the Group recognised income from claims for liquidated damages ("LD") in profit or loss in other income as management determined based on the terms of the relevant contract with a supplier that such claims relate to compensation for loss of income. The LD amount and the manner of recovery is agreed with the supplier in principle pending legal formalities relating to the execution of an amendment to the contract (note 5).

## 2 Material accounting policies (continued)

### 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 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

#### **Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

#### **Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

### 2.3 Standards issued but not yet effective

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

<b>New and amended standards not effective and not yet adopted by the Group</b>	<b>Effective date</b>
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	1 January 2027
<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

These new and amended standards are not expected to have a material impact on the Group's condensed consolidated interim financial statements except for IFRS 18 Presentation and Disclosure in Financial Statements issued on 9 April 2024, for which management is currently assessing the potential impact on the presentation and disclosure in the financial statements.

### 3 Segment information

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

#### Material 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 three months ended 31 March 2024 is as follows:

	Infrastructure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Reconciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	60,594	23,168	12,351	4,904	-	-	101,017
Inter-segment revenue	470	142	392	70	-	(1,074)	-
<b>Total revenue</b>	<b>61,064</b>	<b>23,310</b>	<b>12,743</b>	<b>4,974</b>	-	<b>(1,074)</b>	<b>101,017</b>
Cost of revenue	-	(5,013)	(1,928)	(209)	-	1,054	(6,096)
Staff costs	(14,029)	(3,847)	(5,108)	(941)	-	3,843	(20,082)
Other operating expenses	(4,119)	(330)	(2,338)	(2,968)	-	20	(9,735)
Other income	33,843	-	740	38	-	(3,843)	30,778
<b>Adjusted EBITDA</b>	<b>76,759</b>	<b>14,120</b>	<b>4,109</b>	<b>894</b>	-	-	<b>95,882</b>
Depreciation and amortisation	(23,000)	(111)	(2,619)	(12,343)	-	-	(38,073)
Fair value loss	-	-	(2,910)	-	-	-	(2,910)
<b>Operating profit (loss)</b>	<b>53,759</b>	<b>14,009</b>	<b>(1,420)</b>	<b>(11,449)</b>	-	-	<b>54,899</b>
Finance income	5,621	-	105	1,555	-	-	7,281
Finance costs	(2,430)	-	(69)	(765)	-	-	(3,264)
<b>Net finance income</b>	<b>3,191</b>	-	<b>36</b>	<b>790</b>	-	-	<b>4,017</b>
Share of results - HPE	-	-	-	-	(2,946)	-	(2,946)
Share of results - Al Maisan	-	-	-	-	56	-	56
<b>Profit (loss) before income tax</b>	<b>56,950</b>	<b>14,009</b>	<b>(1,384)</b>	<b>(10,659)</b>	<b>(2,890)</b>	-	<b>56,026</b>
Income tax expense	(5,344)	-	(9)	(46)	-	-	(5,399)
<b>Profit (loss) for the period</b>	<b>51,606</b>	<b>14,009</b>	<b>(1,393)</b>	<b>(10,705)</b>	<b>(2,890)</b>	-	<b>50,627</b>
Loss for the period attributable to non-controlling interests	-	-	(141)	(2,141)	-	-	(2,282)
<b>Profit (loss) for the period attributable to the Shareholders</b>	<b>51,606</b>	<b>14,009</b>	<b>(1,252)</b>	<b>(8,564)</b>	<b>(2,890)</b>	-	<b>52,909</b>
Capital expenditure	18,818	1,352	1,147	27	-	-	21,344

### 3 Segment information (continued)

The segment information for the three months ended 31 March 2023 is as follows:

	Infrastructure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Reconciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	59,950	19,551	14,768	6,086	-	-	100,355
Inter-segment revenue	629	100	64	139	-	(932)	-
<b>Total revenue</b>	<b>60,579</b>	<b>19,651</b>	<b>14,832</b>	<b>6,225</b>	<b>-</b>	<b>(932)</b>	<b>100,355</b>
Cost of revenue	-	(3,896)	(3,062)	(706)	-	753	(6,911)
Staff costs	(15,458)	(3,845)	(5,570)	(2,255)	-	4,587	(22,541)
Other operating expenses	(5,184)	(370)	(2,961)	(2,732)	-	179	(11,068)
Other income	4,692	-	659	16	-	(4,587)	780
<b>Adjusted EBITDA</b>	<b>44,629</b>	<b>11,540</b>	<b>3,898</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>60,615</b>
Depreciation and amortisation	(23,033)	(158)	(4,987)	(7,490)	-	-	(35,668)
<b>Operating profit (loss)</b>	<b>21,596</b>	<b>11,382</b>	<b>(1,089)</b>	<b>(6,942)</b>	<b>-</b>	<b>-</b>	<b>24,947</b>
Finance income	3,710	-	216	1,429	-	-	5,355
Finance costs	(1,957)	-	(74)	(104)	-	-	(2,135)
<b>Net finance income</b>	<b>1,753</b>	<b>-</b>	<b>142</b>	<b>1,325</b>	<b>-</b>	<b>-</b>	<b>3,220</b>
Share of results - HPE	-	-	-	-	(2,536)	-	(2,536)
Share of results - Al Maisan	-	-	-	-	258	-	258
<b>Profit (loss) before income tax</b>	<b>23,349</b>	<b>11,382</b>	<b>(947)</b>	<b>(5,617)</b>	<b>(2,278)</b>	<b>-</b>	<b>25,889</b>
Income tax expense	-	-	(4)	(48)	-	-	(52)
<b>Profit (loss) for the period</b>	<b>23,349</b>	<b>11,382</b>	<b>(951)</b>	<b>(5,665)</b>	<b>(2,278)</b>	<b>-</b>	<b>25,837</b>
Loss for the period attributable to non-controlling interests	-	-	(102)	(1,133)	-	-	(1,235)
<b>Profit (loss) for the period attributable to the Shareholders</b>	<b>23,349</b>	<b>11,382</b>	<b>(849)</b>	<b>(4,532)</b>	<b>(2,278)</b>	<b>-</b>	<b>27,072</b>
Capital expenditure	37,314	-	5,364	380	-	-	43,058

### 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 17.

	Three months ended 31 March	
	2024	2023
	\$ 000	\$ 000
United Arab Emirates	88,768	85,927
Europe	3,284	4,425
Asia	4,993	4,117
Africa	2,982	4,886
North America	718	717
Others	272	283
<b>Revenue</b>	<b>101,017</b>	<b>100,355</b>

#### 4 Revenue

	Notes	Three months ended 31 March	
		2024 \$ 000	2023 \$ 000
Services rendered		100,670	97,942
Sale of equipment and accessories		347	2,413
		<b>101,017</b>	<b>100,355</b>
Revenue from related parties is disclosed in note 17.			
<b>Revenue includes:</b>			
Revenue from contracts with customers (IFRS 15)		68,149	67,401
Income from operating leases (IFRS 16)		32,868	32,954
		<b>101,017</b>	<b>100,355</b>
<b>Disaggregation of revenue by operating segment:</b>			
	3		
Services rendered:			
Infrastructure		60,594	59,950
Managed solutions		23,168	19,551
Mobility solutions		12,021	12,759
Data solutions - BCS		4,887	5,682
Sale of equipment and accessories			
Mobility solutions		330	2,009
Data solutions - BCS		17	404
		<b>101,017</b>	<b>100,355</b>
<b>Timing of recognition of revenue from contracts with customers:</b>			
Over time		67,477	64,988
At a point in time		672	2,413
		<b>68,149</b>	<b>67,401</b>

Revenue by geography is disclosed in note 3.

	Notes	31 March	31 December
		2024 \$ 000	2023 \$ 000
<b>Contract balances (IFRS 15)</b>			
Trade receivables, net of loss allowance	10	62,828	86,813
Contract assets	10	27,551	21,636
Contract liabilities:			
Advances from customers - related parties		389,804	404,006
Advances from customers - others	13	2,050	2,104
Deferred revenue	15	52,468	24,577

#### 5 Other income

During the period, the Group became entitled to receive compensation for loss of income ('liquidated damages' or 'LD') of \$30,000 thousand in relation to the Thuraya-4 Next Generation Satellite ('T4-NGS') procurement contract. The LD amount and the manner of recovery is agreed with the supplier in principle, pending legal formalities relating to the execution of an amendment to the contract which will allow the liquidated damages to be partly offset against future milestone payments as they fall due, and the remaining amount will be settled in cash. The Group has recognised the LD of \$30,000 thousand in profit or loss under 'Other income' during the three months ended 31 March 2024 with corresponding debit to the other receivables (note 10).

## 6 Income tax

### 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 commenced 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 enacted and accordingly the standard corporate tax rate of 9% applies to the Group.

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three months ended 31 March	
	2024	2023
	\$ 000	\$ 000
Current income tax expense	(5,294)	(69)
Deferred tax (relating to origination and reversal of temporary differences)	(105)	17
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<b>(5,399)</b>	<b>(52)</b>

## 7 Property, plant and equipment

	31 March	31 December
	2024	2023
	\$ 000	\$ 000
At the beginning of the period/year	1,122,699	1,144,224
Additions	20,804	139,790
Depreciation	(37,160)	(151,622)
Transfer to intangible assets	(440)	(2,890)
Transfer to inventories	(111)	(489)
Transfer to non-current assets classified as held for sale (note 12)	-	(6,002)
Write-off	-	(7)
Exchange differences	(58)	(305)
<b>At the end of the period/year</b>	<b>1,105,734</b>	<b>1,122,699</b>

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 ('AY4/5') satellite programme. The ATP preserves the programme schedule, pending execution of the satellite procurement contract ('Contract'), 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 ATP by making a second payment of \$28.1 million 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 31 March 2024.

Following the expiration of the ATP on 31 December 2023 it was further extended until 29 February 2024. The parties are currently finalizing the terms of the contract for signature and any further extension of the ATP, if required, will be sought as the intention of the parties is to execute the contract in due course.

Capital work in progress of \$502.3 million (31 December 2023: \$482.8 million) is included in property, plant and equipment as of the end of the reporting period of which \$436.9 million (31 December 2023: \$430.2 million) relates to the T4-NGS under construction and \$56.6 million (31 December 2023: \$44 million) relates to AY4/5 satellite programme. Additions during the period mainly relate to T4-NGS amounting to \$6.4 million and AY4/5 satellite program amounting to \$12.6 million.

Additions to property, plant and equipment during the three months ended 31 March 2023 amounted to \$43 million of which additions to T4-NGS amounted to \$36.2 million.

## 8 Equity-accounted investments

	31 March 2024 \$ 000	31 December 2023 \$ 000
At the beginning of the period/year	49,912	64,054
Return of investment from Al Maisan	-	(7,501)
Share of results for the period/year	(2,890)	(9,914)
Exchange differences	(1,170)	3,273
<b>At the end of the period/year</b>	<b>45,852</b>	<b>49,912</b>
of which Investment in HPE	34,949	39,066
of which Investment in Al Maisan	10,903	10,846

Share of results for the three months ended 31 March 2023 was a loss of \$2,278 thousand (also refer to note 3).

## 9 Other financial assets

	31 March 2024 \$ 000	31 December 2023 \$ 000
Preference shares (i)	2,955	2,955
Convertible loan (ii)	-	2,910
	<b>2,955</b>	<b>5,865</b>

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 narrow-band 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.

ii) In 2023, the Group entered into a Convertible Loan Agreement ("CLA") with a customer for a total Convertible Loan ("Loan") amount of \$17,500 thousand. 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 31 December 2023, Management determined the fair value of the Loan as \$2,910 thousand (against the carrying amount of \$17,500 thousand) and accordingly recognized a fair value loss of \$14,590 thousand in the consolidated statement of profit or loss under 'Fair value (losses) gains' during the year ended 31 December 2023. Due to the prevailing critical financial situation of the customer, the Group has recognised a further fair value loss equal to the remaining carrying amount of the Loan of \$2,910 thousand in the condensed consolidated interim statement of profit or loss for the three months ended 31 March 2024.



## 10 Trade and other receivables

	31 March 2024 \$ 000	31 December 2023 \$ 000
Trade receivables	85,662	109,464
Allowance for expected credit losses	(22,834)	(22,651)
<b>Trade receivables, net of allowance</b>	<b>62,828</b>	<b>86,813</b>
Contract assets - accrued income	27,551	21,636
Prepayments - orbital services	10,270	10,270
Prepayments - others	8,212	2,094
Advances to suppliers	15,970	18,046
Other receivables, net of allowance *	45,529	11,272
<b>Total trade and other receivables</b>	<b>170,360</b>	<b>150,131</b>
of which non-current	340	10,610
of which current	170,020	139,521

\* Includes receivable in respect of liquidated damages of \$30,000 thousand relating to T4-NGS procurement contract (note 5).

## 11 Cash and short term deposits

	31 March 2024 \$ 000	31 December 2023 \$ 000
Cash on hand and in banks	13,507	9,170
Cash in banks - related parties	223,942	227,736
Short-term deposits with banks - related parties *	302,713	248,356
Short-term deposits with banks - others *	74,980	76,818
<b>Cash and short-term deposits</b>	<b>615,142</b>	<b>562,080</b>
Less: Short-term deposits with original maturities of over three months	(313,337)	(298,382)
<b>Cash and cash equivalents</b>	<b>301,805</b>	<b>263,698</b>

\* During the period, the Group a) placed short term deposits with banks (related parties \$128,169 thousand and others \$8,713 thousand) and b) received maturity proceeds on short term deposits (related parties \$78,169 thousand and others \$5,588 thousand).

## 12 Non-current assets classified as held for sale

	Notes	31 March 2024 \$ 000	31 December 2023 \$ 000
Investment property		22,038	22,038
Property, plant and equipment	7	6,002	6,002
		<b>28,040</b>	<b>28,040</b>

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.

The disposal group comprising of the investment property and property, plant and equipment is carried at the lower of its carrying amount and fair value less costs to sell.

### 13 Trade and other payables

	31 March 2024 \$ 000	31 December 2023 \$ 000
Trade payables	17,747	22,336
Accruals	35,527	49,750
Advances from customers - related party	489,454	524,721
Advances from customers - others	2,050	2,104
Other payables	503	9,283
<b>Total trade and other payables</b>	<b>545,281</b>	<b>608,194</b>
of which non-current	413,810	449,077
of which current	131,471	159,117

### 14 Borrowings

	31 March 2024 \$ 000	31 December 2023 \$ 000
<b>The carrying amount of borrowings are as follows:</b>		
A) Term loans:		
Principal amounts	446,836	446,657
Unamortised transaction costs	(11,536)	(12,038)
Term loans - net of unamortised transaction costs	<b>435,300</b>	<b>434,619</b>
B) Lease liabilities	6,115	6,090
<b>Total borrowings</b>	<b>441,415</b>	<b>440,709</b>
of which current	62,740	62,753
of which non-current	378,675	377,956

#### A) Term loans

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

	Repayment tenor Years	Principal amount \$ 000	Unamortised transaction costs \$ 000	Carrying amount \$ 000
<b>At 31 March 2024</b>				
Term loan 5	2022-2026	220,000	(2,056)	217,944
Term loan 6	2024-2032	226,836	(9,480)	217,356
		<b>446,836</b>	<b>(11,536)</b>	<b>435,300</b>
<b>At 31 December 2023</b>				
Term loan 5	2022-2026	220,000	(2,287)	217,713
Term loan 6	2024-2032	226,657	(9,751)	216,906
		<b>446,657</b>	<b>(12,038)</b>	<b>434,619</b>

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

	31 March 2024 \$ 000	31 December 2023 \$ 000
<b>The movements in term loans are as follows:</b>		
At the beginning of the period/year	434,619	521,163
Additions (cash)	-	21,438
Additions (interest capitalised)	179	10,011
Amortisation of transaction costs	502	2,007
Repayments (cash)	-	(120,000)
<b>At the end of the period/year</b>	<b>435,300</b>	<b>434,619</b>

#### 14 Borrowings (continued)

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

	Term loan 5 \$ 000	Term loan 6 \$ 000	Total \$ 000
<b>At 31 March 2024</b>			
Within one year	50,000	13,343	63,343
1 - 2 years	110,000	26,687	136,687
2 - 5 years	60,000	80,060	140,060
Beyond 5 years	-	106,746	106,746
	<b>220,000</b>	<b>226,836</b>	<b>446,836</b>
<b>At 31 December 2023</b>			
Within one year	50,000	13,333	63,333
1 - 2 years	110,000	26,666	136,666
2 - 5 years	60,000	79,998	139,998
Beyond 5 years	-	106,660	106,660
	<b>220,000</b>	<b>226,657</b>	<b>446,657</b>

During the period, interest of \$179 thousand was capitalised into the principal amount of the ECA facility (Term Loan 6). As of 31 March 2024, the unutilised facility amounted to \$45,214 thousand (31 December 2023: \$45,393 thousand).

During the three months ended 31 March 2023, additions amounting to \$7,146 thousand were made and interest amounting to \$4,041 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. In addition, the FCA announced in early 2023 that one, three and six-month synthetic US dollar LIBOR settings will cease on 30 September 2024.

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 conditions precedent regarding the Amended and Restated Loan Agreement ("ARA") are met and therefore the transition to SOFR is complete.

The Group has also amended its IRS agreements to effect transition from USD LIBOR to SOFR from the USD LIBOR Index Cessation Effective Date which is 30 September 2024 as announced by FTA. 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.

#### B) Lease liabilities

	31 March 2024 \$ 000	31 December 2023 \$ 000
<b>The movements in lease liabilities are as follows:</b>		
At the beginning of the period/year	6,090	7,165
Accretion of interest	52	221
Termination	-	(15)
Payments	(29)	(1,271)
Exchange differences	2	(10)
<b>At the end of the period/year</b>	<b>6,115</b>	<b>6,090</b>
of which current	1,403	1,426
of which non-current	4,712	4,664

## 15 Deferred revenue

	31 March 2024 \$ 000	31 December 2023 \$ 000
Deferred revenue relating to a capacity services contract with a related party *	60,232	-
Unutilized airtime balances from prepaid scratch cards and SIM cards	13,712	13,816
Others **	12,197	10,761
<b>Total deferred revenue</b>	<b>86,141</b>	<b>24,577</b>

\* As of 31 March 2024, contract liabilities (IFRS 15) included within the deferred revenue relating to a capacity services contract with a related party amounted to \$26,559 thousand (31 December 2023: nil). The remaining amount relates to leases (IFRS 16).

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

## 16 Capital commitments and contingent liabilities

	31 March 2024 \$ 000	31 December 2023 \$ 000
Capital commitments - committed and contracted	236,832	248,431
Contingent liabilities - performance bonds provided by banks in the normal course of business	31,193	31,041

Capital commitments mainly relate to T4-NGS project and AY4/5 satellite programme.

## 17 Related party transactions

	Three months ended 31 March	
	2024 \$ 000	2023 \$ 000
<b>Transaction with related parties</b>		
<b>Revenue</b>		
Entities under common control *	77,492	76,292
Associates	362	383
Total	<b>77,854</b>	<b>76,675</b>
<b>Interest income on short term deposits - with banks</b>		
Entities under common control	6,225	3,753
<b>Interest on term loans - from banks, net of hedges</b>		
Entities under common control	(3,763)	(3,626)
<b>Interest on contract liabilities</b>		
Entities under common control	2,348	1,131
<b>Outsourced expenses, office lease rent, systems support</b>		
Entities under common control	164	225
<b>Cost of sales</b>		
Entities under common control	103	33
Associate	374	346
Total	<b>477</b>	<b>379</b>
<b>Key management personnel compensation</b>		
Short term employment benefits	1,146	1,088
Post-employment benefits	86	84

Board of directors and committee fees charged to the condensed consolidated interim statement of profit or loss during the period were \$442 thousand (three months ended 31 March 2023: \$436 thousand).

\* Revenue from entities under common control includes \$74.9 million (three months ended 31 March 2023: \$74.7 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.

## 18 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 31 March 2024 is classified as Level 2. The fair value has been determined by an external valuer based on transactions observable in the market.

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.

## 19 Dividends

On 4 March 2024, the Board of Directors proposed a final dividend of \$54.7 million representing 2.24 cents (8.23 fils) per share for the second half of the financial year 2023 bringing the total dividends per share to 4.48 cents (16.46 fils) per share for the year ended 31 December 2023. The proposed dividend was approved by the shareholders at the annual general assembly held on 25 April 2024.

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.

## 20 Earnings per share

	Three months ended	
	2024	2023
Profit (loss) for the period attributable to the Shareholders of the Company (in '\$000)	52,909	27,072
Weighted average number of ordinary shares outstanding ('000)	2,439,770	2,439,770
Basic and diluted earnings per share (cents)	2.17	1.11
Basic and diluted earnings per share (fils)	7.96	4.08

## 21 Seasonality and cyclicity of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the three months ended 31 March 2024 and 2023.

## 22 Post balance sheet events

On 15 April 2024, the Group's Thuraya-3 satellite suffered an unexpected payload anomaly causing an ongoing service outage. The Group immediately implemented standard incident management procedures and continues to investigate the incident, in conjunction with the satellite manufacturer.

In accordance with IAS 10 'Events After the Reporting Period,' the event is assessed to be a non-adjusting post balance sheet event and therefore, no adjustments have been made to the amounts recognised in its condensed consolidated interim financial statements as of 31 March 2024. As of the date of issuance of these financial statements, management of the Group is still assessing the potential financial impact of the anomaly.

## Al Yah Satellite Communications Company PJSC

### Supplemental information to the condensed consolidated interim financial statements

for the three months ended 31 March 2024 (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 31 March	
	2024 AED 000	2023 AED 000
<b>Revenue</b>	370,985	368,554
Cost of revenue	(22,388)	(25,381)
Staff costs	(73,751)	(82,782)
Other operating expenses <sup>(1)</sup>	(35,752)	(40,647)
Other income	113,032	2,865
<b>Adjusted EBITDA</b>	<b>352,126</b>	<b>222,609</b>
Depreciation and amortisation	(139,823)	(130,991)
Fair value loss	(10,687)	-
<b>Operating profit</b>	<b>201,616</b>	<b>91,618</b>
Finance income	26,739	19,666
Finance costs	(11,987)	(7,841)
<b>Net finance income</b>	<b>14,752</b>	<b>11,825</b>
Share of results of equity-accounted investments	(10,614)	(8,366)
<b>Profit before income tax</b>	<b>205,754</b>	<b>95,077</b>
Income tax expense	(19,828)	(191)
<b>Profit for the period</b>	<b>185,926</b>	<b>94,886</b>
Loss for the period attributable to non-controlling interests	(8,381)	(4,536)
<b>Profit for the period attributable to the Shareholders</b>	<b>194,307</b>	<b>99,422</b>
<b>Earnings per share</b>		
Basic and diluted (fiils per share)	7.96	4.08

<sup>(1)</sup> Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months 31 March 2024, there was a net charge of AED 1,154 thousand (three months ended 31 March 2023: AED 723 thousand).

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

for the three months ended 31 March 2024 (Unaudited)

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

	Three months ended 31 March	
	2024 AED 000	2023 AED 000
<b>Profit for the period</b>	<b>185,926</b>	<b>94,886</b>
<b>Other comprehensive income (loss):</b>		
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>		
Cash flow hedge - effective portion of changes in fair value	23,078	(7,305)
Cash flow hedge - net gain reclassified to profit or loss	(17,779)	(18,550)
Foreign operations - currency translation differences	(4,939)	3,746
	<b>360</b>	<b>(22,109)</b>
<b>Item that may not be reclassified to profit or loss in subsequent periods:</b>		
Remeasurement of defined benefit obligation	(114)	103
<b>Other comprehensive income (loss) for the period</b>	<b>246</b>	<b>(22,006)</b>
<b>Total comprehensive income for the period</b>	<b>186,172</b>	<b>72,880</b>
Total comprehensive loss attributable to non-controlling interests	(8,509)	(4,764)
<b>Total comprehensive income attributable to the Shareholders</b>	<b>194,681</b>	<b>77,644</b>

## AI Yah Satellite Communications Company PJSC

### Supplemental information to the condensed consolidated interim financial statements

for the three months ended 31 March 2024 (Unaudited)

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

	31 March 2024 AED 000	31 December 2023 AED 000
<b>Assets</b>		
Property, plant and equipment	4,060,808	4,123,112
Right-of-use assets	18,278	18,910
Intangible assets	55,374	54,500
Equity-accounted investments	168,391	183,302
Trade and other receivables	1,249	38,965
Derivative financial instruments	97,351	82,227
Other financial assets	10,852	21,539
Deferred income tax assets	720	731
<b>Total non-current assets</b>	<b>4,413,023</b>	<b>4,523,286</b>
Inventories	52,877	52,726
Trade and other receivables	624,398	512,391
Derivative financial instruments	54,133	46,178
Income tax assets	668	668
Cash and short-term deposits *	2,259,109	2,064,239
	<b>2,991,185</b>	<b>2,676,202</b>
Non-current assets classified as held for sale	102,977	102,977
<b>Total current assets</b>	<b>3,094,162</b>	<b>2,779,179</b>
<b>Total assets</b>	<b>7,507,185</b>	<b>7,302,465</b>
<b>Liabilities</b>		
Trade and other payables	482,829	584,358
Borrowings	230,413	230,460
Deferred revenue	316,353	90,259
Income tax liabilities	20,067	1,014
<b>Total current liabilities</b>	<b>1,049,662</b>	<b>906,091</b>
Trade and other payables	1,519,717	1,649,235
Borrowings	1,390,684	1,388,043
Defined benefit obligations	34,253	32,792
Deferred income tax liabilities	3,937	3,544
<b>Total non-current liabilities</b>	<b>2,948,591</b>	<b>3,073,614</b>
<b>Total liabilities</b>	<b>3,998,253</b>	<b>3,979,705</b>
<b>Net assets</b>	<b>3,508,932</b>	<b>3,322,760</b>
<b>Equity</b>		
Share capital	2,439,770	2,439,770
Hedging reserve	130,366	125,067
Statutory reserve	110,355	110,355
Translation reserve	(82,873)	(78,063)
Remeasurement reserve	5,688	5,802
Retained earnings	682,556	488,248
<b>Equity attributable to the Shareholders</b>	<b>3,285,862</b>	<b>3,091,179</b>
Non-controlling interests	223,070	231,581
<b>Total equity</b>	<b>3,508,932</b>	<b>3,322,760</b>

\* Cash and short term deposits include cash and cash equivalents of AED 1,108,379 thousand (31 December 2023: AED 968,431 thousand).



**AI Yah Satellite Communications Company PJSC**  
**Supplemental information to the condensed consolidated interim financial statements**  
for the three months ended 31 March 2024 (Unaudited)

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

	Attributable to the Shareholders					Non-controlling interests	Total equity
	Share capital	Hedging reserve	Other Reserves <sup>(1)</sup>	Retained earnings	Total		
	AED 000	AED 000	AED 000	AED 000	AED 000		
<b>At 1 January 2023</b>	<b>2,439,770</b>	<b>177,767</b>	<b>(5,598)</b>	<b>513,853</b>	<b>3,125,792</b>	<b>262,029</b>	<b>3,387,821</b>
Profit (loss) for the period	-	-	-	99,422	99,422	(4,536)	94,886
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	(7,305)	-	-	(7,305)	-	(7,305)
Cash flow hedge - net gain reclassified to profit or loss	-	(18,550)	-	-	(18,550)	-	(18,550)
Currency translation differences	-	-	3,886	-	3,886	(140)	3,746
Remeasurement of defined benefit obligation	-	-	191	-	191	(88)	103
<b>Other comprehensive (loss) income for the period</b>	<b>-</b>	<b>(25,855)</b>	<b>4,077</b>	<b>-</b>	<b>(21,778)</b>	<b>(228)</b>	<b>(22,006)</b>
<b>Total comprehensive (loss) income for the period</b>	<b>-</b>	<b>(25,855)</b>	<b>4,077</b>	<b>99,422</b>	<b>77,644</b>	<b>(4,764)</b>	<b>72,880</b>
<b>At 31 March 2023</b>	<b>2,439,770</b>	<b>151,912</b>	<b>(1,521)</b>	<b>613,275</b>	<b>3,203,436</b>	<b>257,265</b>	<b>3,460,701</b>
<b>At 1 January 2024</b>	<b>2,439,770</b>	<b>125,067</b>	<b>38,094</b>	<b>488,249</b>	<b>3,091,180</b>	<b>231,580</b>	<b>3,322,760</b>
Profit (loss) for the period	-	-	-	194,307	194,307	(8,381)	185,926
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	23,078	-	-	23,078	-	23,078
Cash flow hedge - net gain reclassified to profit or loss	-	(17,779)	-	-	(17,779)	-	(17,779)
Currency translation differences	-	-	(4,810)	-	(4,810)	(129)	(4,939)
Remeasurement of defined benefit obligation	-	-	(114)	-	(114)	-	(114)
<b>Other comprehensive income (loss) for the period</b>	<b>-</b>	<b>5,299</b>	<b>(4,924)</b>	<b>-</b>	<b>375</b>	<b>(129)</b>	<b>246</b>
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>5,299</b>	<b>(4,924)</b>	<b>194,307</b>	<b>194,682</b>	<b>(8,510)</b>	<b>186,172</b>
<b>At 31 March 2024</b>	<b>2,439,770</b>	<b>130,366</b>	<b>33,170</b>	<b>682,556</b>	<b>3,285,862</b>	<b>223,070</b>	<b>3,508,932</b>

<sup>(1)</sup> Other reserves include statutory reserve, translation reserve and IAS 19 remeasurement reserve.

## Al Yah Satellite Communications Company PJSC

### Supplemental information to the condensed consolidated interim financial statements

for the three months ended 31 March 2024 (Unaudited)

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

	Three months ended	
	2024	2023
	AED 000	AED 000
<b>Operating activities</b>		
Profit before income tax	205,754	95,077
Adjustments for:		
Share of results of equity-accounted investments	10,614	8,366
Depreciation and amortisation	139,823	130,991
Income from liquidated damages	(110,175)	-
Allowance for expected credit losses	1,153	723
Allowance for slow-moving inventories	367	110
Fair value loss	10,687	-
Finance income	(26,739)	(19,666)
Finance costs	11,987	7,841
Current service cost	1,054	1,153
<b>Operating profit before working capital changes</b>	<b>244,525</b>	<b>224,595</b>
Working capital changes:		
Trade and other receivables	36,600	(87,905)
Inventories	(110)	(17,720)
Trade and other payables	(242,866)	(214,290)
Deferred revenue	226,094	220,871
Payments for defined benefit obligations	(107)	(2,321)
Income tax paid	(371)	(441)
<b>Net cash from operating activities</b>	<b>263,765</b>	<b>122,789</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(66,461)	(127,965)
Additions to intangible assets	(1,983)	(286)
Return of investment in an associate	-	18,381
Acquisition of other financial assets	-	(2,754)
Receipt of short-term deposits with original maturity of over three months	195,263	146,900
Investments in short-term deposits with original maturity of over three months	(250,351)	(451,916)
Interest received	13,853	19,666
<b>Net cash used in investing activities</b>	<b>(109,679)</b>	<b>(397,974)</b>
<b>Financing activities</b>		
Proceeds from term loan	-	26,244
Payment of lease liabilities	(107)	(110)
Interest paid	(13,776)	(18,487)
<b>Net cash (used in) from financing activities</b>	<b>(13,883)</b>	<b>7,647</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>140,203</b>	<b>(267,538)</b>
Net foreign exchange difference	(255)	103
Cash and cash equivalents at the beginning of the period	968,431	785,893
<b>Cash and cash equivalents as at the end of the period</b>	<b>1,108,379</b>	<b>518,458</b>