



Al Yah Satellite Communications Company PJSC
Condensed consolidated interim financial statements
For the six months ended 30 June 2024

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

For the six months ended 30 June 2024



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Al Yah Satellite Communications Company PJSC
Board of Directors' Report
30 June 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 six months ended 30 June 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 six months ended 30 June 2024, the Group reported revenue of \$199,747 thousand (30 June 2023: \$205,072 thousand) and profit for the period attributable to its shareholders of \$73,271 thousand (30 June 2023: \$45,306 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. Musabbah Al Kaabi	Chairman (effective until 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 until 25 April 2024)
Badr Al Olama	Member (effective until 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 six months ended 30 June 2024 have been reviewed by RAI Audit and Tax Services LLC.

On behalf of the Board of Directors

DocuSigned by:

22EEEC44FBCD460
Chairman of the Board
Dr. Bakheet Al Katheeri

Date: 29 July 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 30 June 2024;
- the condensed consolidated interim statement of profit or loss for the three months and six months ended 30 June 2024;
- the condensed consolidated interim statement of comprehensive income for the three months and six months ended 30 June 2024;
- the condensed consolidated interim statement of changes in equity for the six months ended 30 June 2024;
- the condensed consolidated interim statement of cash flows for the six months ended 30 June 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.

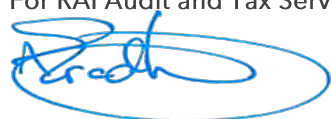
Scope of Review

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: 29 July 2024
Abu Dhabi, United Arab Emirates

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of profit or loss
for the six months ended 30 June 2024 (Unaudited)



	Notes	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
		\$ 000	\$ 000	\$ 000	\$ 000
Revenue	4	98,730	104,717	199,747	205,072
Cost of revenue		(6,527)	(10,213)	(12,623)	(17,125)
Staff costs		(20,352)	(19,081)	(40,434)	(41,622)
Other operating expenses ⁽¹⁾		(14,364)	(13,570)	(24,099)	(24,638)
Other income	5	675	664	31,453	1,443
Adjusted EBITDA ⁽²⁾		58,162	62,517	154,044	123,130
Depreciation and amortisation		(39,914)	(40,360)	(77,987)	(76,028)
Fair value losses, net ⁽³⁾		(459)	(6,366)	(3,369)	(6,366)
Operating profit		17,789	15,791	72,688	40,736
Finance income		6,491	5,617	13,772	10,972
Finance costs		(1,942)	(3,691)	(5,206)	(5,825)
Net finance income		4,549	1,926	8,566	5,147
Share of results of equity-accounted investments	8	(2,647)	(2,567)	(5,537)	(4,844)
Profit before income tax		19,691	15,150	75,717	41,039
Income tax expense	6	(2,026)	(100)	(7,425)	(152)
Profit for the period		17,665	15,050	68,292	40,887
Loss for the period attributable to non-controlling interests		(2,697)	(3,184)	(4,979)	(4,419)
Profit for the period attributable to the Shareholders		20,362	18,234	73,271	45,306
Earnings per share					
Basic and diluted (cents per share)	20	0.83	0.75	3.00	1.86

⁽¹⁾ Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and six months ended 30 June 2024, there was a net charge of \$1,713 thousand and \$2,027 thousand respectively. For the three months and six months ended 30 June 2023, there was a net charge of \$1,615 thousand and \$1,812 thousand respectively.

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

⁽³⁾ Fair value losses include fair value changes on other financial assets (refer note 9) and investment property which is classified as held for sale (refer note 12). During the period, a fair value gain of \$350 thousand was recorded in respect of investment property (three months and six months ended 30 June 2023: nil). Fair value losses of \$809 thousand and \$3,719 thousand were recorded in respect of other financial assets in the three months and six months ended 30 June 2024 respectively (three months and six months ended 30 June 2023: \$6,366 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 page ii.

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of comprehensive income
for the six months ended 30 June 2024 (Unaudited)



	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	\$ 000	\$ 000	\$ 000	\$ 000
Profit for the period	17,665	15,050	68,292	40,887
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	1,756	8,234	8,040	6,245
Cash flow hedge - net gain reclassified to profit or loss	(4,861)	(5,132)	(9,702)	(10,183)
Foreign operations - currency translation differences	(3,223)	2,276	(4,568)	3,297
	(6,328)	5,378	(6,230)	(641)
Item that may not be reclassified to profit or loss in subsequent periods:				
Remeasurement of defined benefit obligation	191	(109)	160	(81)
Other comprehensive (loss) income for the period	(6,137)	5,269	(6,070)	(722)
Total comprehensive income for the period	11,528	20,319	62,222	40,165
Total comprehensive loss attributable to non-controlling interests	(2,667)	(3,237)	(4,984)	(4,534)
Total comprehensive income attributable to the Shareholders	14,195	23,556	67,206	44,699

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 page ii.

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

As at 30 June 2024



		(Unaudited) 30 June 2024 \$ 000	(Audited) 31 December 2023 \$ 000
	Notes		
Assets			
Property, plant and equipment	7	1,234,553	1,122,699
Right-of-use assets		7,025	5,149
Intangible assets		14,857	14,840
Equity-accounted investments	8	38,417	49,912
Trade and other receivables	10	340	10,610
Derivative financial instruments		20,389	22,390
Other financial assets	9	2,146	5,865
Deferred income tax assets		229	199
Total non-current assets		1,317,956	1,231,664
Inventories		23,612	14,357
Trade and other receivables	10	164,159	139,521
Derivative financial instruments		12,841	12,574
Income tax assets		182	182
Cash and short-term deposits *	11	398,325	562,080
		599,119	728,714
Non-current assets classified as held for sale	12	28,390	28,040
Total current assets		627,509	756,754
Total assets		1,945,465	1,988,418
Liabilities			
Trade and other payables	13	154,027	159,117
Borrowings	14	107,075	62,753
Deferred revenue	15	26,607	24,577
Current income tax liabilities		7,278	276
Total current liabilities		294,987	246,723
Trade and other payables	13	416,158	449,077
Borrowings	14	311,420	377,956
Defined benefit obligations		9,443	8,929
Deferred income tax liabilities		1,142	965
Total non-current liabilities		738,163	836,927
Total liabilities		1,033,150	1,083,650
Net assets		912,315	904,768
Equity			
Share capital		664,334	664,334
Hedging reserve		32,393	34,055
Statutory reserve		30,049	30,049
Translation reserve		(25,815)	(21,255)
Remeasurement reserve		1,737	1,580
Retained earnings		151,543	132,947
Equity attributable to the Shareholders		854,241	841,710
Non-controlling interests		58,074	63,058
Total equity		912,315	904,768

* Cash and short term deposits include cash and cash equivalents of \$275,736 thousand (31 December 2023: \$263,698 thousand).

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 29 July 2024 and approved on their behalf by:

DocuSigned by:

 22EEEC44EBCD460...
Chairman of the Board
Dr. Bakheet Al Katheeri

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 page ii.

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of changes in equity
for the six months ended 30 June 2024 (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	\$ 000	\$ 000
At 1 January 2023	664,334	48,405	(1,523)	139,919	851,135	71,349	922,484
Profit (loss) for the period	-	-	-	45,306	45,306	(4,419)	40,887
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	6,245	-	-	6,245	-	6,245
Cash flow hedge - net gain reclassified to profit or loss	-	(10,183)	-	-	(10,183)	-	(10,183)
Currency translation differences	-	-	3,364	-	3,364	(67)	3,297
Remeasurement of defined benefit obligation	-	-	(33)	-	(33)	(48)	(81)
Other comprehensive (loss) income for the period	-	(3,938)	3,331	-	(607)	(115)	(722)
Total comprehensive (loss) income for the period	-	(3,938)	3,331	45,306	44,699	(4,534)	40,165
Transactions with the Shareholders:							
Dividends (Note 19)	-	-	-	(53,545)	(53,545)	-	(53,545)
At 30 June 2023	664,334	44,467	1,808	131,680	842,289	66,815	909,104
At 1 January 2024	664,334	34,055	10,374	132,947	841,710	63,058	904,768
Profit (loss) for the period	-	-	-	73,271	73,271	(4,979)	68,292
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	8,040	-	-	8,040	-	8,040
Cash flow hedge - net gain reclassified to profit or loss	-	(9,702)	-	-	(9,702)	-	(9,702)
Currency translation differences	-	-	(4,560)	-	(4,560)	(8)	(4,568)
Remeasurement of defined benefit obligation	-	-	157	-	157	3	160
Other comprehensive loss for the period	-	(1,662)	(4,403)	-	(6,065)	(5)	(6,070)
Total comprehensive (loss) income for the period	-	(1,662)	(4,403)	73,271	67,206	(4,984)	62,222
Transactions with the Shareholders:							
Dividends (Note 19)	-	-	-	(54,675)	(54,675)	-	(54,675)
At 30 June 2024	664,334	32,393	5,971	151,543	854,241	58,074	912,315

⁽¹⁾ Other reserves include statutory reserve, translation reserve and IAS 19 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 page ii.

Al Yah Satellite Communications Company PJSC
Condensed consolidated interim statement of cash flows
for the six months ended 30 June 2024 (Unaudited)



	Notes	Six months ended 30 June	
		2024 \$ 000	2023 \$ 000
Operating activities			
Profit before income tax		75,717	41,039
Adjustments for:			
Share of results of equity-accounted investments		5,537	4,844
Depreciation and amortisation		77,987	76,028
Income from liquidated damages	5	(30,000)	-
Allowance for expected credit losses		2,027	1,812
Allowance for slow-moving inventories		472	137
Fair value losses, net		3,369	6,366
Finance income		(13,772)	(10,972)
Finance costs		5,206	5,825
Write-off of property, plant and equipment		-	79
Current service cost		571	597
Operating profit before working capital changes		127,114	125,755
Working capital changes:			
Trade and other receivables ⁽¹⁾		7,546	12,055
Inventories		(9,530)	(4,852)
Trade and other payables ⁽²⁾		(60,345)	90,623
Deferred revenue		2,030	1,582
Payments for defined benefit obligations		(116)	(1,615)
Income tax paid		(276)	(153)
Net cash from operating activities		66,423	223,395
Investing activities			
Purchases of property, plant and equipment		(168,940)	(57,162)
Additions to intangible assets		(1,103)	(211)
Return of investment in an associate		1,430	5,005
Acquisition of other financial assets		-	(1,050)
Receipt of short-term deposits with original maturity of over three months		366,402	247,400
Investments in short-term deposits with original maturity of over three months		(190,669)	(249,141)
Interest received		16,831	10,972
Net cash generated from (used in) investing activities		23,951	(44,187)
Financing activities			
Proceeds from term loan		-	7,146
Repayment of term loans		(25,000)	(60,000)
Payment of lease liabilities		(912)	(59)
Interest received, net of derivative settlements		2,233	40
Dividend paid to the shareholders		(54,675)	(53,545)
Net cash used in financing activities		(78,354)	(106,418)
Net increase in cash and cash equivalents		12,020	72,790
Net foreign exchange difference		18	105
Cash and cash equivalents at the beginning of the period		263,698	213,994
Cash and cash equivalents as at the end of the period		275,736	286,889

¹⁾ Amount for the six months ended 30 June 2023 includes non-cash transaction relating to conversion of trade receivable of \$17,500 thousand into Convertible Loan. Also refer to note 9.

²⁾ Amount for the six months ended 30 June 2023 includes receipt of the second instalment of the T4-NGSA Advance Payment of \$150 million.

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 page ii.

AI Yah Satellite Communications Company PJSC

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2024 (Unaudited)



1 General information

AI 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.

Material event:

On 15 April 2024, the Group's Thuraya-3 (T3) satellite suffered an unexpected payload anomaly causing an ongoing service outage. T3 is in geostationary orbit at a longitude of 98.5° E and provides L-band mobile satellite services predominantly over South and East Asia and the Pacific region. Following implementation of standard incident management procedures, investigation of the incident in conjunction with the satellite manufacturer and exhaustion of most recovery options, the Group expects services to remain significantly diminished for a prolonged period in a majority of the geographies affected. Although the T3 was fully depreciated with nil carrying amount, the anomaly was as an impairment indicator of the related CGU which also includes goodwill and required the management to perform an assessment. The assessment did not result in any impairment loss for the six months ended 30 June 2024. The recoverable amount, estimated based on fair value less costs of disposal using discounted cash flows using inputs to the valuation technique that fall under Level 3 of the fair value hierarchy, exceeded the CGU's carrying value by \$51,355 thousand as of 30 June 2024. The recoverable amount as at 30 June 2024 has been determined using cash flow projections for the years 2024-2028. The cash flow projections are extrapolated into perpetuity at a 3.0% growth rate and discounted using an estimated discount rate of 11.5%. An increase of 0.5% in the discount rate would result in a lower recoverable amount by \$12,429 thousand. The anomaly did not have a material impact on the carrying amount of the other assets and liabilities of the CGU as at the end of the reporting period.

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.

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2024 (Unaudited)



2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

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 which was signed subsequent to the reporting period (note 5).

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.

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2024 (Unaudited)



2 Material accounting policies (continued)

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:

New and amended standards not effective and not yet adopted by the Group	Effective date
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	<i>1 January 2027</i>
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	<i>1 January 2027</i>
<i>Amendment to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments</i>	<i>1 January 2026</i>
<i>Amendments to IAS 21: Lack of exchangeability</i>	<i>1 January 2025</i>
<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>	<i>Deferred indefinitely</i>

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.

Al Yah Satellite Communications Company PJSC
Notes to the condensed consolidated interim financial statements
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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 six months ended 30 June 2024 is as follows:

	Infrastructure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Reconciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	121,189	44,610	23,939	10,009	-	-	199,747
Inter-segment revenue	940	202	476	364	-	(1,982)	-
Total revenue	122,129	44,812	24,415	10,373	-	(1,982)	199,747
Cost of revenue	-	(8,674)	(4,313)	(1,579)	-	1,943	(12,623)
Staff costs	(28,016)	(8,090)	(10,247)	(1,767)	-	7,686	(40,434)
Other operating expenses	(8,789)	(935)	(8,280)	(6,135)	-	40	(24,099)
Other income	37,687	-	1,408	45	-	(7,687)	31,453
Adjusted EBITDA	123,011	27,113	2,983	937	-	-	154,044
Depreciation and amortisation	(45,963)	(1,242)	(5,194)	(25,588)	-	-	(77,987)
Fair value losses, net	(809)	-	(2,560)	-	-	-	(3,369)
Operating profit (loss)	76,239	25,871	(4,771)	(24,651)	-	-	72,688
Finance income	10,448	-	258	3,066	-	-	13,772
Finance costs	(4,283)	-	(137)	(786)	-	-	(5,206)
Net finance income	6,165	-	121	2,280	-	-	8,566
Share of results - HPE	-	-	-	-	(5,524)	-	(5,524)
Share of results - Al Maisan	-	-	-	-	(13)	-	(13)
Profit (loss) before income tax	82,404	25,871	(4,650)	(22,371)	(5,537)	-	75,717
Income tax expense	(7,242)	-	(26)	(157)	-	-	(7,425)
Profit (loss) for the period	75,162	25,871	(4,676)	(22,528)	(5,537)	-	68,292
Loss for the period attributable to non-controlling interests	-	-	(473)	(4,506)	-	-	(4,979)
Profit (loss) for the period attributable to the Shareholders	75,162	25,871	(4,203)	(18,022)	(5,537)	-	73,271
Capital expenditure	183,761	2,101	3,579	2,486	-	-	191,927

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3 Segment information (continued)

The segment information for the six months ended 30 June 2023 is as follows:

	Infrastructure	Managed solutions	Mobility solutions	Data solutions (BCS)	Others	Reconciliation	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
External revenue	119,899	38,817	34,852	11,504	-	-	205,072
Inter-segment revenue	1,258	200	131	348	-	(1,937)	-
Total revenue	121,157	39,017	34,983	11,852	-	(1,937)	205,072
Cost of revenue	-	(7,257)	(10,277)	(1,170)	-	1,579	(17,125)
Staff costs	(28,838)	(7,630)	(10,445)	(3,883)	-	9,174	(41,622)
Other operating expenses	(10,892)	(185)	(7,048)	(6,871)	-	358	(24,638)
Other income	9,368	-	1,225	24	-	(9,174)	1,443
Adjusted EBITDA	90,795	23,945	8,438	(48)	-	-	123,130
Depreciation and amortisation	(46,160)	(312)	(9,619)	(19,937)	-	-	(76,028)
Fair value losses	(1,045)	-	(5,321)	-	-	-	(6,366)
Operating profit (loss)	43,590	23,633	(6,502)	(19,985)	-	-	40,736
Finance income	7,597	-	472	2,903	-	-	10,972
Finance costs	(3,953)	-	(148)	(1,724)	-	-	(5,825)
Net finance income	3,644	-	324	1,179	-	-	5,147
Share of results - HPE	-	-	-	-	(5,555)	-	(5,555)
Share of results - Al Maisan	-	-	-	-	711	-	711
Profit (loss) before income tax	47,234	23,633	(6,178)	(18,806)	(4,844)	-	41,039
Income tax expense	-	-	(4)	(148)	-	-	(152)
Profit (loss) for the period	47,234	23,633	(6,182)	(18,954)	(4,844)	-	40,887
Loss for the period attributable to non-controlling interests	-	-	(628)	(3,791)	-	-	(4,419)
Profit (loss) for the period attributable to the Shareholders	47,234	23,633	(5,554)	(15,163)	(4,844)	-	45,306
Capital expenditure	42,060	4,007	5,820	617	-	-	52,504

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.

	Six months ended 30 June	
	2024	2023
	\$ 000	\$ 000
United Arab Emirates	176,366	174,894
Europe	5,708	9,217
Asia	9,172	10,117
Africa	6,685	8,763
North America	1,376	1,515
Others	440	566
Revenue	199,747	205,072

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4 Revenue

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 \$ 000	2023 \$ 000	2024 \$ 000	2023 \$ 000
Services rendered		96,940	96,987	197,610	194,929
Sale of equipment and accessories		1,790	7,730	2,137	10,143
		98,730	104,717	199,747	205,072
Revenue from related parties is disclosed in note 17.					
Revenue includes:					
Revenue from contracts with customers (IFRS 15)		65,863	71,777	134,012	139,178
Income from operating leases (IFRS 16)		32,867	32,940	65,735	65,894
		98,730	104,717	199,747	205,072
Disaggregation of revenue by operating segment:					
Services rendered:	3				
Infrastructure		60,594	59,950	121,189	119,899
Managed solutions		21,442	19,266	44,610	38,817
Mobility solutions		9,919	12,800	21,939	25,559
Data solutions - BCS		4,985	4,971	9,872	10,654
Sale of equipment and accessories					
Mobility solutions		1,670	7,283	2,000	9,293
Data solutions - BCS		120	447	137	850
		98,730	104,717	199,747	205,072
Timing of recognition of revenue from contracts with customers:					
Over time		63,930	63,996	131,407	128,984
At a point in time		1,933	7,781	2,605	10,194
		65,863	71,777	134,012	139,178

Revenue by geography is disclosed in note 3.

		30 June 2024	31 December 2023
Contract balances (IFRS 15)	Notes	\$ 000	\$ 000
Trade receivables, net of loss allowance	10	63,343	86,813
Contract assets	10	31,419	21,636
Contract liabilities:			
Advances from customers - related parties		392,151	404,006
Advances from customers - others	13	1,954	2,104
Deferred revenue	15	26,607	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 six months ended 30 June 2024 with corresponding debit to the other receivables (note 10). The amendment was signed subsequent to the reporting period.

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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:

	Six months ended 30 June	
	2024	2023
	\$ 000	\$ 000
Current income tax expense	(7,274)	(184)
Deferred tax (relating to origination and reversal of temporary differences)	(151)	32
Income tax expense reported in the consolidated statement of profit or loss	(7,425)	(152)

7 Property, plant and equipment

	30 June 2024	31 December 2023
	\$ 000	\$ 000
At the beginning of the period/year	1,122,699	1,144,224
Additions	188,419	139,790
Depreciation	(75,932)	(151,622)
Transfer to intangible assets	(440)	(2,890)
Transfer to inventories	(197)	(489)
Transfer to non-current assets classified as held for sale (note 12)	-	(6,002)
Write-off	-	(7)
Exchange differences	4	(305)
At the end of the period/year	1,234,553	1,122,699

On 6 June 2024, the Group signed a contract with Airbus Defence and Space SAS for the procurement of two satellites Al Yah 4 ('AY4') and Al Yah 5 ('AY5') along with ground segment and associated software and services. Accordingly, the advance payments of \$43.4 million made pursuant to the Authorization to Proceed signed on 16 June 2023 have been adjusted against the purchase price of the satellites in the contract.

Capital work in progress of \$662.3 million (31 December 2023: \$482.8 million) is included in property, plant and equipment as of the end of the reporting period of which \$455.6 million (31 December 2023: \$430.2 million) relates to the T4-NGS under construction and \$200.4 million (31 December 2023: \$44 million) relates to the procurement of AY4/5 satellites. Additions during the period mainly relate to AY4/5 satellites amounting to \$156.4 million and T4-NGS amounting to \$25.4 million.

Additions to property, plant and equipment during the six months ended 30 June 2023 amounted to \$52.3 million of which additions to T4-NGS amounted to \$43.7 million.

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8 Equity-accounted investments

	30 June 2024 \$ 000	31 December 2023 \$ 000
At the beginning of the period/year	49,912	64,054
Return of investment from Al Maisan	(1,430)	(7,501)
Share of results for the period/year	(5,537)	(9,914)
Exchange differences	(4,528)	3,273
At the end of the period/year	38,417	49,912
of which Investment in HPE	29,013	39,066
of which Investment in Al Maisan	9,404	10,846

Share of results for the six months ended 30 June 2023 was a loss of \$4,844 thousand (also refer to note 3).

9 Other financial assets

	30 June 2024 \$ 000	31 December 2023 \$ 000
Preference shares (i)	2,146	2,955
Convertible loan (ii)	-	2,910
	2,146	5,865

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. Based on an independent valuation exercise, the Group determined that the fair value of the preferred stock as at 30 June 2024 was \$2,146 thousand thereby recording a loss of \$809 thousand reported in the condensed consolidated interim statement of profit or loss under 'Fair value losses' (six months ended 30 June 2023: \$1,045 thousand).

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 six months ended 30 June 2024 (six months ended 30 June 2023: \$5,321 thousand).

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10 Trade and other receivables

	30 June 2024 \$ 000	31 December 2023 \$ 000
Trade receivables	87,807	109,464
Allowance for expected credit losses	(24,464)	(22,651)
Trade receivables, net of allowance	63,343	86,813
Contract assets - accrued income	31,419	21,636
Prepayments - orbital services	10,270	10,270
Prepayments - others	6,782	2,094
Advances to suppliers	13,342	18,046
Other receivables, net of allowance *	39,343	11,272
Total trade and other receivables	164,499	150,131
of which non-current	340	10,610
of which current	164,159	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

	30 June 2024 \$ 000	31 December 2023 \$ 000
Cash on hand and in banks	15,049	9,170
Cash in banks - related parties	255,242	227,736
Short-term deposits with banks - related parties *	122,503	248,356
Short-term deposits with banks - others *	5,531	76,818
Cash and short-term deposits	398,325	562,080
Less: Short-term deposits with original maturities of over three months	(122,589)	(298,382)
Cash and cash equivalents	275,736	263,698

* During the period, the Group a) placed short term deposits with banks (related parties \$380,009 thousand and others \$102,801 thousand) and b) received maturity proceeds on short term deposits (related parties \$505,861 thousand and others \$173,290 thousand).

12 Non-current assets classified as held for sale

	Notes	30 June 2024 \$ 000	31 December 2023 \$ 000
Investment property		22,388	22,038
Property, plant and equipment	7	6,002	6,002
		28,390	28,040

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. During the period, Management recognised a gain of \$350 thousand (six months ended 30 June 2023: nil) resulting from the fair valuation of investment property determined by an external valuer based on transactions observable in the market.

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.

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13 Trade and other payables

	30 June 2024 \$ 000	31 December 2023 \$ 000
Trade payables	15,174	22,336
Accruals	54,006	49,750
Advances from customers - related party	491,801	524,721
Advances from customers - others	1,954	2,104
Other payables	7,250	9,283
Total trade and other payables	570,185	608,194
of which non-current	416,158	449,077
of which current	154,027	159,117

14 Borrowings

	30 June 2024 \$ 000	31 December 2023 \$ 000
The carrying amount of borrowings are as follows:		
A) Term loans:		
Principal amounts	421,836	446,657
Unamortised transaction costs	(11,034)	(12,038)
Term loans - net of unamortised transaction costs	410,802	434,619
B) Lease liabilities	7,693	6,090
Total borrowings	418,495	440,709
of which current	107,075	62,753
of which non-current	311,420	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
At 30 June 2024				
Term loan 5	2022-2026	195,000	(1,824)	193,176
Term loan 6	2024-2032	226,836	(9,210)	217,626
		421,836	(11,034)	410,802
At 31 December 2023				
Term loan 5	2022-2026	220,000	(2,287)	217,713
Term loan 6	2024-2032	226,657	(9,751)	216,906
		446,657	(12,038)	434,619

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

	30 June 2024 \$ 000	31 December 2023 \$ 000
The movements in term loans are as follows:		
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	1,004	2,007
Repayments (cash)	(25,000)	(120,000)
At the end of the period/year	410,802	434,619

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14 Borrowings (continued)

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

	Term loan 5 \$ 000	Term loan 6 \$ 000	Total \$ 000
At 30 June 2024			
Within one year	80,000	26,687	106,687
1 - 2 years	115,000	26,687	141,687
2 - 5 years	-	80,060	80,060
Beyond 5 years	-	93,402	93,402
	195,000	226,836	421,836
At 31 December 2023			
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
	220,000	226,657	446,657

During the period, interest of \$179 thousand was capitalised into the principal amount of the ECA facility (Term Loan 6). As of 30 June 2024, the unutilised facility amounted to \$45,214 thousand (31 December 2023: \$45,393 thousand).

During the six months ended 30 June 2023, additions amounting to \$7,146 thousand were made and interest amounting to \$4,041 thousand was capitalised into the principal amount.

On 18 December 2023, the Group entered into a short-term Bridge Facility Agreement (Bridge Facility) to finance the capital expenditure relating to AY4/5 Satellite Program. The total facility amount is \$300 million with a repayment period of 12 to 18 months from the date of the agreement. The Bridge Facility bears interest at SOFR plus margin of 0.68% per annum. Subsequent to the reporting period, an amount of \$250 million was drawn from the Bridge Facility.

B) Lease liabilities

	30 June 2024 \$ 000	31 December 2023 \$ 000
The movements in lease liabilities are as follows:		
At the beginning of the period/year	6,090	7,165
Additions	2,405	-
Accretion of interest	108	221
Termination	-	(15)
Payments	(912)	(1,271)
Exchange differences	2	(10)
At the end of the period/year	7,693	6,090
of which current	2,395	1,426
of which non-current	5,298	4,664

15 Deferred revenue

	30 June 2024 \$ 000	31 December 2023 \$ 000
Unutilized airtime balances from prepaid scratch cards and SIM cards	13,161	13,816
Others *	13,446	10,761
Total deferred revenue	26,607	24,577

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

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16 Capital commitments and contingent liabilities

	30 June 2024 \$ 000	31 December 2023 \$ 000
Capital commitments - committed and contracted	702,678	248,431
Contingent liabilities - performance bonds provided by banks in the normal course of business	33,031	31,041

Capital commitments mainly relate to T4-NGS and AY4/5 satellites under construction. The significant increase in capital commitments as at 30 June 2024 is mainly attributable to the execution of AY4/5 satellites procurement contract during the period (Note 7).

17 Related party transactions

	2024 \$ 000	Six months ended 30 June 2023 \$ 000
Transaction with related parties in statement of profit or loss		
Revenue		
Entities under common control *	154,890	152,699
Associates	725	766
Total	155,615	153,465
Interest income on short term deposits - with banks		
Entities under common control	11,824	7,693
Interest on term loans - from banks, net of hedges		
Entities under common control	(7,568)	(7,248)
Interest on contract liabilities		
Entities under common control	4,695	2,274
Outsourced expenses, office lease rent, systems support		
Entities under common control	303	424
Cost of sales		
Entities under common control	214	66
Associate	790	578
Total	1,004	644
Advance from a related party		
Entities under common control	-	150,021
Key management personnel compensation		
Short term employment benefits	2,268	2,218
Post-employment benefits	890	170

Other related party transactions

Board of directors and committee fees charged to the condensed consolidated interim statement of profit or loss during the period were \$883 thousand (six months ended 30 June 2023: \$878 thousand).

* Revenue from entities under common control includes \$149.5 million (six months ended 30 June 2023: \$149.4 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.

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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 30 June 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 and paid to the shareholders on 23 May 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 to the shareholders on 3 May 2023.

20 Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Profit (loss) for the period attributable to the Shareholders of the Company (in \$'000)	20,362	18,234	73,271	45,306
Weighted average number of ordinary shares outstanding ('000)	2,439,770	2,439,770	2,439,770	2,439,770
Basic and diluted earnings per share (cents)	0.83	0.75	3.00	1.86
Basic and diluted earnings per share (fils)	3.07	2.74	11.03	6.82

21 Seasonality and cyclicity of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the six months ended 30 June 2024 and 2023.

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

for the six months ended 30 June 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 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	AED 000	AED 000	AED 000	AED 000
Revenue	362,586	384,573	733,571	753,127
Cost of revenue	(23,970)	(37,507)	(46,358)	(62,892)
Staff costs	(74,743)	(70,075)	(148,494)	(152,857)
Other operating expenses ⁽¹⁾	(52,752)	(49,836)	(88,504)	(90,483)
Other income	2,479	2,439	115,511	5,299
Adjusted EBITDA	213,600	229,594	565,726	452,194
Depreciation and amortisation	(146,584)	(148,222)	(286,407)	(279,213)
Fair value losses ⁽²⁾	(1,686)	(23,379)	(12,373)	(23,379)
Operating profit	65,330	57,993	266,946	149,602
Finance income	23,838	20,628	50,578	40,295
Finance costs	(7,132)	(13,555)	(19,119)	(21,392)
Net finance income	16,706	7,073	31,459	18,903
Share of results of equity-accounted investments	(9,721)	(9,427)	(20,335)	(17,790)
Profit before income tax	72,315	55,639	278,070	150,715
Income tax expense	(7,440)	(367)	(27,268)	(558)
Profit for the period	64,875	55,272	250,802	150,157
Loss for the period attributable to non-controlling interests	(9,905)	(11,693)	(18,285)	(16,229)
Profit for the period attributable to the Shareholders	74,780	66,965	269,087	166,386
Earnings per share				
Basic and diluted (fiis per share)	3.07	2.74	11.03	6.82

⁽¹⁾ Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and six months ended 30 June 2024, there was a net charge of AED 6,290 thousand and AED 7,444 thousand respectively. For the three months and six months ended 30 June 2023, there was a net charge of AED 5,931 thousand and AED 6,654 thousand respectively.

⁽²⁾ Fair value losses include fair value changes on other financial assets (refer note 9) and investment property which is classified as held for sale (refer note 12). During the period, a fair value gain of AED 1,285 thousand was recorded in respect of investment property (three months and six months ended 30 June 2023: nil). Fair value losses of AED 2,971 thousand and AED 13,658 thousand were recorded in respect of other financial assets in the three months and six months ended 30 June 2024 respectively (three months and six months ended 30 June 2023: 23,379 thousand).

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

for the six months ended 30 June 2024 (Unaudited)

ii) Condensed consolidated interim statement of comprehensive income

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	AED 000	AED 000	AED 000	AED 000
Profit for the period	64,875	55,272	250,802	150,157
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	6,449	30,239	29,527	22,935
Cash flow hedge - net gain reclassified to profit or loss	(17,852)	(18,847)	(35,631)	(37,397)
Foreign operations - currency translation differences	(11,835)	8,359	(16,775)	12,108
	(23,238)	19,751	(22,879)	(2,354)
Item that may not be reclassified to profit or loss in subsequent periods:				
Remeasurement of defined benefit obligation	701	(400)	588	(297)
Other comprehensive (loss) income for the period	(22,537)	19,351	(22,291)	(2,651)
Total comprehensive income for the period	42,338	74,623	228,511	147,506
Total comprehensive loss attributable to non-controlling interests	(9,795)	(11,888)	(18,304)	(16,652)
Total comprehensive income attributable to the Shareholders	52,133	86,511	246,815	164,158

AI Yah Satellite Communications Company PJSC

Supplemental information to the condensed consolidated interim financial statements

for the six months ended 30 June 2024 (Unaudited)

iii) Condensed consolidated interim statement of financial position

	30 June 2024 AED 000	31 December 2023 AED 000
Assets		
Property, plant and equipment	4,533,896	4,123,112
Right-of-use assets	25,799	18,910
Intangible assets	54,562	54,500
Equity-accounted investments	141,086	183,302
Trade and other receivables	1,249	38,965
Derivative financial instruments	74,879	82,227
Other financial assets	7,881	21,539
Deferred income tax assets	841	731
Total non-current assets	4,840,193	4,523,286
Inventories	86,715	52,726
Trade and other receivables	602,874	512,391
Derivative financial instruments	47,159	46,178
Income tax assets	668	668
Cash and short-term deposits *	1,462,849	2,064,239
	2,200,265	2,676,202
Non-current assets classified as held for sale	104,262	102,977
Total current assets	2,304,527	2,779,179
Total assets	7,144,720	7,302,465
Liabilities		
Trade and other payables	565,665	584,358
Borrowings	393,233	230,460
Deferred revenue	97,714	90,259
Current income tax liabilities	26,728	1,014
Total current liabilities	1,083,340	906,091
Trade and other payables	1,528,340	1,649,235
Borrowings	1,143,690	1,388,043
Defined benefit obligations	34,679	32,792
Deferred income tax liabilities	4,194	3,544
Total non-current liabilities	2,710,903	3,073,614
Total liabilities	3,794,243	3,979,705
Net assets	3,350,477	3,322,760
Equity		
Share capital	2,439,770	2,439,770
Hedging reserve	118,963	125,067
Statutory reserve	110,355	110,355
Translation reserve	(94,809)	(78,063)
Remeasurement reserve	6,379	5,802
Retained earnings	556,542	488,248
Equity attributable to the Shareholders	3,137,200	3,091,179
Non-controlling interests	213,277	231,581
Total equity	3,350,477	3,322,760

* Cash and short term deposits include cash and cash equivalents of AED 1,012,640 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 six months ended 30 June 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 ⁽¹⁾	Retained earnings	Total		
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
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	-	-	-	166,386	166,386	(16,229)	150,157
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	22,935	-	-	22,935	-	22,935
Cash flow hedge - net gain reclassified to profit or loss	-	(37,397)	-	-	(37,397)	-	(37,397)
Currency translation differences	-	-	12,354	-	12,354	(246)	12,108
Remeasurement of defined benefit obligation	-	-	(121)	-	(121)	(176)	(297)
Other comprehensive (loss) income for the period	-	(14,462)	12,233	-	(2,229)	(422)	(2,651)
Total comprehensive (loss) income for the period	-	(14,462)	12,233	166,386	164,157	(16,651)	147,506
Transactions with the Shareholders:							
Dividends (Note 19)	-	-	-	(196,644)	(196,644)	-	(196,644)
At 30 June 2023	2,439,770	163,305	6,635	483,595	3,093,305	245,378	3,338,683
At 1 January 2024	2,439,770	125,067	38,094	488,249	3,091,180	231,580	3,322,760
Profit (loss) for the period	-	-	-	269,087	269,087	(18,285)	250,802
Other comprehensive income (loss):							
Cash flow hedge - effective portion of changes in fair value	-	29,527	-	-	29,527	-	29,527
Cash flow hedge - net gain reclassified to profit or loss	-	(35,631)	-	-	(35,631)	-	(35,631)
Currency translation differences	-	-	(16,746)	-	(16,746)	(29)	(16,775)
Remeasurement of defined benefit obligation	-	-	577	-	577	11	588
Other comprehensive loss for the period	-	(6,104)	(16,169)	-	(22,273)	(18)	(22,291)
Total comprehensive (loss) income for the period	-	(6,104)	(16,169)	269,087	246,814	(18,303)	228,511
Transactions with the Shareholders:							
Dividends (Note 19)	-	-	-	(200,794)	(200,794)	-	(200,794)
At 30 June 2024	2,439,770	118,963	21,925	556,542	3,137,200	213,277	3,350,477

⁽¹⁾ 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 six months ended 30 June 2024 (Unaudited)

v) Condensed consolidated interim statement of cash flows

	Six months ended	
	2024	2023
	AED 000	AED 000
Operating activities		
Profit before income tax	278,070	150,715
Adjustments for:		
Share of results of equity-accounted investments	20,335	17,790
Depreciation and amortisation	286,407	279,213
Income from liquidated damages	(110,175)	-
Allowance for expected credit losses	7,444	6,655
Allowance for slow-moving inventories	1,733	503
Fair value losses, net	12,373	23,379
Finance income	(50,578)	(40,295)
Finance costs	19,119	21,392
Write-off of property, plant and equipment	-	290
Current service cost	2,097	2,192
Operating profit before working capital changes	466,825	461,834
Working capital changes:		
Trade and other receivables ⁽¹⁾	27,713	44,272
Inventories	(34,999)	(17,819)
Trade and other payables ⁽²⁾	(221,617)	332,813
Deferred revenue	7,455	5,810
Payments for defined benefit obligations	(426)	(5,931)
Income tax paid	(1,014)	(562)
Net cash from operating activities	243,937	820,417
Investing activities		
Purchases of property, plant and equipment	(620,432)	(209,927)
Additions to intangible assets	(4,051)	(775)
Return of investment in an associate	5,252	18,381
Acquisition of other financial assets	-	(3,856)
Receipt of short-term deposits with original maturity of over three months	1,345,611	908,577
Investments in short-term deposits with original maturity of over three months	(700,232)	(914,970)
Interest received	61,812	40,295
Net cash generated from (used in) investing activities	87,960	(162,275)
Financing activities		
Proceeds from term loan	-	26,244
Repayment of term loans	(91,813)	(220,350)
Payment of lease liabilities	(3,349)	(217)
Interest received, net of derivative settlements	8,201	147
Dividend paid to the shareholders	(200,794)	(196,644)
Net cash used in financing activities	(287,755)	(390,820)
Net increase in cash and cash equivalents	44,142	267,322
Net foreign exchange difference	67	385
Cash and cash equivalents at the beginning of the period	968,431	785,893
Cash and cash equivalents as at the end of the period	1,012,640	1,053,600

¹⁾ Amount for the six months ended 30 June 2023 includes non-cash transaction relating to conversion of trade receivable of AED 64,269 thousand into Convertible Loan. Also refer to note 9.

²⁾ Amount for the six months ended 30 June 2023 includes receipt of the second instalment of the T4-NGSA Advance Payment of AED 551 million.