

telecomegypt®



*Translation from Arabic*

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Financial Statements**  
**For the Financial Year Ended December 31, 2024**  
**& Auditor's Report**



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**Hazem Hassan**  
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village  
Km 28 Cairo – Alex Desert Road  
Giza – Cairo – Egypt  
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005  
E-mail : Egypt@kpmg.com.eg  
Fax : (202) 35 37 3537  
P.O. Box : (5) Smart Village

*Translation from Arabic*

**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF TELECOM EGYPT COMPANY**

***Report on the Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of Telecom Egypt Company S.A.E, which comprise the consolidated statement of financial position as at December 31, 2024 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

***Management's Responsibility for the Consolidated Financial Statements***

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. we conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



Hazem Hassan

*Translation from Arabic*

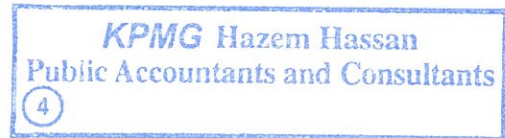
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Telecom Egypt Company as of December 31, 2024, and of its consolidated financial performance and cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

**KPMG Hazem Hassan  
Public Accountants & Consultants**

Cairo, February 27, 2025



**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Financial Position As of:**

	Note No.	31/12/2024 L.E. (000)	31/12/2023 Reclassified L.E. (000)
<b>Assets</b>			
<b>Non current Assets</b>			
Fixed assets and projects under construction	(15)	102 379 069	78 003 156
Intangible assets (licenses and frequencies)	(16)	19 565 446	15 043 035
Usufruct assets	(17)	8 028 589	6 460 850
Right of use assets (lease contracts)	(18-1)	1 334 703	872 300
Investments in Equity accounted investees	(19)	18 727 605	14 884 865
Financial assets at FVOCI	(20)	120 476	83 442
Trade and notes receivables	(22)	963 852	474 825
Debtors and other debit balances	(23)	107 262	74 870
Deferred tax assets	(31-3)	2 978 482	-
<b>Total Non Current Assets</b>		<b>154 205 484</b>	<b>115 897 343</b>
<b>Current Assets</b>			
Inventories	(21)	8 106 567	5 080 871
Trade and notes receivable	(22)	17 845 878	10 217 719
Current income tax	(31-6)	740 252	890 660
Debtors and other debit balances	(23)	8 775 367	7 192 489
Cash and cash equivalents	(24)	8 279 240	10 977 982
<b>Total Current Assets</b>		<b>43 747 304</b>	<b>34 359 721</b>
<b>Total Assets</b>		<b>197 952 788</b>	<b>150 257 064</b>
<b>Equity</b>			
Capital	(29)	17 070 716	17 070 716
Reserves	(30)	6 247 693	5 864 699
Retained earnings		20 889 691	27 224 185
Foreign entites translation reserve		1 706 212	707 362
<b>Equity attributable to the shareholders of the company</b>		<b>45 914 312</b>	<b>50 866 962</b>
<b>Non - controlling interest</b>	(37)	<b>23 679</b>	<b>17 970</b>
<b>Total Equity</b>		<b>45 937 991</b>	<b>50 884 932</b>
<b>Non Current Liabilities</b>			
Long term loans and credit facilities	(25)	38 411 459	19 725 744
Creditors and other credit balances	(26)	23 031 473	13 893 622
Lease obligations	(18-2)	1 086 449	809 090
Deferred tax liabilities	(31-3)	-	1 449 418
<b>Total Non Current Liabilities</b>		<b>62 529 381</b>	<b>35 877 874</b>
<b>Current Liabilities</b>			
Short term loans and credit facilities	(25)	42 314 808	29 616 014
Creditors and other credit balances	(26)	42 888 256	31 114 668
Lease obligations	(18-2)	503 122	253 439
Credit balances to associates	(35-1)	2 468 657	1 083 772
Provisions	(27)	1 310 573	1 426 365
<b>Total Current Liabilities</b>		<b>89 485 416</b>	<b>63 494 258</b>
<b>Total liabilities</b>		<b>152 014 797</b>	<b>99 372 132</b>
<b>Total Equity and Liabilities</b>		<b>197 952 788</b>	<b>150 257 064</b>

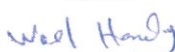
The attached notes on pages from (6) to (60) are an integral part of these consolidated financial statements.

Director of Financial  
Affairs



" Ehab Abdo "

Chief Financial  
Officer



" Wael Hanafy "

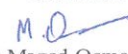
Managing Director  
& Chief Executive Officer



" Mohamed Nasr "

Board of Directors approval

Chairman



" Maged Osman "

Auditor's Report "attached"

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Income**

	Note No.	<b><u>For the financial year ended:</u></b>	
		<b><u>31/12/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>L.E.(000)</u></b>	<b><u>Reclassified</u></b> <b><u>L.E.(000)</u></b>
Operating revenues	(5)	82 036 929	56 679 153
Operating costs	(6)	(51 241 962)	(34 289 981)
<b>Gross Profit</b>		<b>30 794 967</b>	<b>22 389 172</b>
Other incomes	(7)	699 771	487 202
Selling and distribution expenses	(8)	(5 415 716)	(4 377 521)
General and administrative expenses	(9)	(7 420 643)	(5 512 951)
Other expenses	(10)	( 556 146)	( 446 942)
Expected credit loss		( 444 399)	( 272 574)
<b>Operating profit</b>		<b>17 657 834</b>	<b>12 266 386</b>
Finance income		590 274	723 515
Finance cost		(16 348 179)	(4 632 460)
<b>Net Finance cost</b>	(11)	<b>(15 757 905)</b>	<b>(3 908 945)</b>
<b>Share of profit of equity accounted investees, net of tax</b>	(12)	<b>8 662 526</b>	<b>5 280 319</b>
<b>Net profit for the year before income tax</b>		<b>10 562 455</b>	<b>13 637 760</b>
<b>Income tax</b>	(31-1)	<b>( 451 127)</b>	<b>(1 917 135)</b>
<b>Net profit for the year after income tax</b>		<b>10 111 328</b>	<b>11 720 625</b>
<b><u>Profit attributable to :</u></b>			
Shareholders of the holding company		10 098 140	11 713 179
Non-controlling interest	(37)	13 188	7 446
<b>Net profit for the year after income tax</b>		<b>10 111 328</b>	<b>11 720 625</b>
<b>Basic and diluted earnings per share for the year (LE \ Share)</b>	(14)	<b>4.79</b>	<b>5.85</b>

The attached notes on pages from (6) to (60) are an integral part of these consolidated financial statements.

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Other Comprehensive Income**

	Note No	<b><u>For the financial year ended:</u></b>	
		<b><u>31/12/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>L.E.(000)</u></b>	<b><u>Reclassified</u></b> <b><u>L.E.(000)</u></b>
<b>Net profit for the year after income tax</b>		<b>10 111 328</b>	<b>11 720 625</b>
<b><u>Other Comprehensive Income items :</u></b>			
Translation differences of foreign entities		997 681	305 085
Net change in fair value of financial assets at FVOCI		37 034	8 586
Income tax on net change in fair value of financial assets at FVOCI		( 8 332)	( 1 932)
Equity accounted investees - net of tax share of OCI		(1 006 335)	( 247 662)
		<u>20 048</u>	<u>64 077</u>
Translation differences of foreign currency balances		(13 427 722)	(4 471 581)
Income tax on translation differences of foreign currency balances		3 021 237	974 085
		<u>(10 406 485)</u>	<u>(3 497 496)</u>
<b>Transferred to retained earnings during the year</b>		<b>10 406 485</b>	<b>3 497 496</b>
<b>Total Comprehensive Income</b>		<b>10 131 376</b>	<b>11 784 702</b>
<b>Attributable to :</b>			
Shareholders of the company		10 118 188	11 777 256
Non-controlling interest		13 188	7 446
<b>Total Comprehensive Income</b>		<b>10 131 376</b>	<b>11 784 702</b>

The attached notes on pages from (6) to (60) are an integral part of these Consolidated Financial Statements.

Telecom Egypt Company  
(An Egyptian Joint Stock Company)  
Consolidated Statement of Changes in Equity  
For The Financial Year Ended December 31, 2024

	Note No.	Capital	Legal reserve	Other reserves	Retained earnings	Foreign entities translation reserve	Total of equity attributable to Shareholders of the company	Non-controlling interest	Total
		L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)
Balance as of January 1, 2023		17 070 716	2 702 825	2 787 550	23 289 323	402 277	46 252 691	15 159	46 267 850
<b>Comprehensive Income</b>		-	-	-	11 713 179	-	11 713 179	7 446	11 720 625
Net profit for the year (Reclassified)		-	-	-	-	305 085	305 085	-	305 085
Translation differences of foreign entities		-	-	6 654	-	-	6 654	-	6 654
Net change in fair value of financial assets at FVOCI		-	-	-	(247 662)	-	(247 662)	-	(247 662)
Equity accounted investees - net of tax share of OCI		-	-	-	11 465 517	305 085	11 777 256	7 446	11 784 702
<b>Total Comprehensive Income (Reclassified)</b>		-	-	6 654	(3 497 496)	-	(3 497 496)	-	(3 497 496)
<b>Impact of translation differences of foreign currency balances</b>		-	-	-	(3 67 670)	-	-	-	-
Transferred to legal reserve		-	367 670	-	-	-	-	-	-
<b>Transactions with Shareholders :</b>		-	-	-	(225 274)	-	(225 274)	-	(225 274)
Dividends of associates (Employees & Board of Directors)		-	-	-	(1 306 375)	-	(1 306 375)	(8 43)	(1 307 218)
Dividends for year 2022 (Employees & Board of Directors)		-	-	-	(2 133 840)	-	(2 133 840)	(3 792)	(2 137 632)
Dividends for year 2022 (Shareholders)		-	-	-	(3 665 489)	-	(3 665 489)	(4 635)	(3 670 124)
<b>Total transactions with shareholders</b>		-	-	-	(3 665 489)	-	(3 665 489)	(4 635)	(3 670 124)
<b>Balance as of December 31, 2023</b>		17 070 716	3 070 495	2 794 204	27 224 185	707 362	50 866 962	17 970	50 884 932
Balance as of January 1, 2024		17 070 716	3 070 495	2 794 204	27 224 185	707 362	50 866 962	17 970	50 884 932
<b>Comprehensive Income</b>		-	-	-	10 098 140	-	10 098 140	13 188	10 111 328
Net profit for the year		-	-	-	-	997 681	997 681	-	997 681
Translation differences of foreign entities		-	-	28 702	-	-	28 702	-	28 702
Net change in fair value of financial assets at FVOCI		-	-	-	(1 006 335)	-	(1 006 335)	-	(1 006 335)
Equity accounted investees - net of tax share of OCI		-	-	-	9 091 805	997 681	10 118 188	13 188	10 131 376
<b>Total Comprehensive Income</b>		-	-	28 702	9 091 805	997 681	10 118 188	13 188	10 131 376
<b>Impact of translation differences of foreign currency balances (41-2)</b>		-	-	-	(10 406 485)	-	(10 406 485)	-	(10 406 485)
Transferred to legal reserve		-	322 178	-	(322 178)	-	-	-	-
Capital reserve		-	-	32 239	-	-	32 239	-	32 239
<b>Transactions with shareholders :</b>		-	-	-	(318 952)	-	(318 952)	-	(318 952)
Dividends of associates (Employees & Board of Directors)		-	-	-	(2 560 607)	-	(2 560 607)	(5 646)	(2 566 253)
Dividends for year 2023 (Employees & Board of Directors)		-	-	-	(1 731 391)	-	(1 731 391)	(1 833)	(1 733 224)
Dividends for year 2023 (Shareholders)		-	-	-	(86 686)	1 169	(85 642)	-	(85 642)
Impact of merge effect		-	(125)	-	(4 697 636)	1 169	(4 664 353)	(7 479)	(4 671 833)
<b>Total transactions with shareholders</b>		-	(125)	-	(4 697 636)	1 169	(4 664 353)	(7 479)	(4 671 833)
<b>Balance as of December 31, 2024</b>		17 070 716	3 392 548	2 855 145	20 889 691	1 706 212	45 914 312	23 679	45 937 991

The attached notes on pages from (6) to (60) are an integral part of these Consolidated Financial Statements.



**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**  
**Consolidated Statement of Cash Flows**

	Note No.	<b><u>For the Financial year ended:</u></b>	
		<b><u>31/12/2024</u></b>	<b><u>31/12/2023</u></b>
		<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
<b><u>Cash flows from operating activities</u></b>			
Cash receipts from customers and notes receivable		81 259 416	56 240 128
Stamp tax and fees collected (from third party)		31 100	88 019
Deposits collected from customers		54 042	59 171
Cash paid to suppliers		(25 876 286)	(14 446 007)
Cash paid for NTRA		(4 535 657)	(1 744 854)
Cash paid to Board of Directors		( 51 247)	( 32 669)
Cash paid to employees		(10 507 468)	(9 460 866)
Cash paid on behalf of employees		(1 755 216)	(1 484 363)
Payments to Tax Authority - Taxes other than income tax		(7 677 714)	(6 983 317)
Other proceeds / (payments)		1 972 996	( 377 073)
<b>Cash provided by operating activities</b>		<b><u>32 913 966</u></b>	<b><u>21 858 169</u></b>
Interest paid		(10 565 448)	(4 264 568)
Payments to Tax Authority - income tax		( 828 298)	( 650 659)
<b>Net cash provided by operating activities</b>		<b><u>21 520 220</u></b>	<b><u>16 942 942</u></b>
<b><u>Cash flows from investing activities</u></b>			
Payments for purchase of fixed assets and projects under construction		(28 945 948)	(23 594 647)
Payments for purchase of intangible assets		(6 186 350)	(2 813 797)
Proceeds from sales of fixed assets and intangible assets		1 502	57 412
Payments for investments (associates)		( 3 750)	-
Credit interest		363 664	437 811
Dividends collected from investments		3 153 909	1 902 040
proceeds from financial assets at amortized cost - treasury bills income		70 679	96 623
<b>Net cash used in investing activities</b>		<b><u>(31 546 294)</u></b>	<b><u>(23 914 558)</u></b>
<b><u>Cash flows from financing activities</u></b>			
Payments for loans		(5 862 338)	(4 955 391)
Proceeds from loans		16 370 435	-
Net (payments) / Proceeds form credit facilities		( 470 818)	18 109 798
Payments for lease obligations		( 549 106)	( 457 655)
Dividends paid to shareholders		(2 566 253)	(2 137 632)
<b>Net cash provided by financing activities</b>		<b><u>6 921 920</u></b>	<b><u>10 559 120</u></b>
<b>Net change in cash and cash equivalents during the year</b>		<b><u>(3 104 154)</u></b>	<b><u>3 587 504</u></b>
Translation differences of foreign entities		226 801	103 388
Cash and cash equivalents at the beginning of the year	(24)	10 442 683	6 751 791
<b>Cash and cash equivalents at the end of the year</b>	(24)	<b><u>7 565 330</u></b>	<b><u>10 442 683</u></b>

The attached notes on pages from (6) to (60) are an integral part of these consolidated financial statements.

**Telecom Egypt Company**  
**(An Egyptian Joint Stock Company)**

**Notes to the Consolidated Financial Statements**  
**For the Financial Year Ended December 31, 2024**

## **1. BACKGROUND**

### **1-1 Legal Entity**

- Arab Republic of Egypt National Telecommunication Organization (ARENTO) was established according to Law No.153 of 1980. Effective from March 27, 1998 and according to law No.19 of 1998, the legal form of (ARENTO) was amended after the revaluation of its assets on March 26, 1998 to become "Telecom Egypt Company" (TE).
- Telecom Egypt Company (the "Company") is an Egyptian Joint Stock Company registered in the Arab Republic of Egypt and is engaged in the provision of public communications and associated products and services.
- The company is subject to the provisions of the Companies Law No. 159 of 1981 and Capital Market law No. 95 of 1992.
- The registered office of the company is 26 Ramses Street, Cairo, Egypt.
- 70% of the company stock share are owned to the Egyptian government, 30% of the company's nominal shares are traded on the Egyptian Stock Exchange, while GDRs are traded on the London Stock Exchange, each consisting of five ordinary shares.

### **1-2 Purpose of the company**

The main purpose of the company represents in the following:

- Owning, setting up, operating, maintenance and development of telecommunication networks and infrastructure necessary for communication services for using and / or managing and / or leasing to others and / or dealing on them.
- Providing voice, video and data transmission telecommunication services to subscribers and / or managing and / or leasing to others and / or dealing on them.
- Participating or contributing to global communication systems, such as: - submarine cables and satellites and obtaining capacities or circuits for using and / or managing and / or leasing to others and / or dealing on them.
- Dealing or contracting or Participating with authorities, agencies, companies, organizations or any entity exercising an activity similar to or identical to the company's activities or relates or assists the company to achieve its purposes either in Arab Republic of Egypt or abroad.
- Managing, selling, leasing, purchasing, possessing, renting and dealing on any property and rights or benefit or right in any property. Including the movable and immovable property which could be acquired or owned by the company.
- Selling, purchasing and distributing of fixed line sets , mobile phones and computers, its peripherals, accessories and supplies, complementary devices and necessary spare parts and related maintenance works.
- Setting up voice, video and written data transmission networks and providing value-added services, content services, marketing, electronic signature and online money transfer.
- Investment properties for serving its purposes and executing its projects.

### **1-3 Issuance of consolidated financial statements**

These consolidated financial statements were approved by the Board of Directors for issuance on February 26, 2025.

## **2. BASIS OF PREPERATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **2-1 Statement of compliance**

- The consolidated financial statements as of December 31, 2024, have been prepared in accordance with Egyptian Accounting Standards and in the light of applicable Egyptian laws and regulations.
- The company's management has applied the accounting treatment for dealing with the effects of the liberalization of exchange rates contained in summary (E) and its amendments in the Egyptian Accounting Standard No. (13) amended in 2015 "The effects of changes in foreign exchange rates" according to what is Details are given in Note No (41-2).

#### 2-2 Basis of measurement

- These Consolidated Financial Statements have been prepared under the historical cost basis, except for :
  - Financial assets and liabilities that are recorded at fair value through profit or loss.
  - Financial assets and liabilities that are recorded at fair value through other comprehensive income.
  - Financial assets and liabilities that are recorded at amortized cost.
- For presentational purposes, the current and non-current classification has been used for the consolidated statement of Financial Position, while expenses are analysed in consolidated statement of income using a classification based on their function. The direct method has been used in preparing the consolidated statement of cash flows.

#### 2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound (L.E.), which is company's functional currency.

All amounts have been rounded to the nearest thousand unless other wise indicated.

#### 2-4 Use of estimates and assumptions

The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of these assumption represent the judgmental basis for the value of assets and liabilities that may not apparently available from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed ongoing basis. Accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Impairment loss on non-financial and financial assets.
- Expected credit loss.
- Net realizable value of the inventory
- Deferred tax assets and liabilities.
- Operational useful life of fixed assets.
- Provisions and contingencies

#### 2-5 Fair value measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the consolidated financial statements without deducting any estimated future selling costs. The financial assets values are determined with the current purchase prices; however, the financial liabilities values are determined with the current prices that could settle these liabilities.
- In case there is no active market to determine the fair value of the financial instruments, the fair value is estimated using different valuation techniques taking into consideration the prices of the latest transactions, and use the current fair value of the similar financial instruments as guideline – the discounted cash flows technique or any other valuation methods that results reliable values.
- When the discounted cash flows is used as a valuation technique, the future cash flows are estimated based on the management best estimate. The discount rate used is determined in line with the market rate at the date of the financial statements for the similar financial instruments in nature and conditions.

#### 2-6 Segment reporting

Operating activities related to the company is managed by operating segments at the group activates level as integrated activity, based on the nature of product and the service provided. The segment reporting is prepared according to services provided by activities as a group as follows:

- Communications, marine cables and infrastructure services.
- Internet services.
- Outsourcing services.
- Other activites

**3- New Editions and Amendments to Egyptian Accounting Standards:**

**3-1** On March 3, 2024, the prime ministers’s Decree No.(636) of 2024 was issued amending some other provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
<p><b>Egyptian Accounting Standard No. (50) "Insurance Contracts".</b></p>	<p>1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company’s financial position, financial performance, and cash flows.</p> <p>2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (10) "Fixed Assets".</li> <li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li> <li>- Egyptian Accounting Standard No. (34) "Investment property".</li> </ul>	<p>The change doesn’t have an impact on the Consolidated financial statement of the Company.</p>	<p>Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <b>on or after July 1, 2024</b>, and if the Egyptian Accounting Standard No. (50) applied for an earlier period, the Company should disclose that fact.</p>
<p><b>Egyptian Accounting Standard No.</b></p>	<p>The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application</p>	<p>The Company doesn’t have this type of asset. Accordingly, this change</p>	<p>The amendments to the amendment of addition of the option to use the fair value model apply to financial</p>

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
(34) amended 2024 "Investment Property "	mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	doesn't have an impact on the consolidated financial statement of the Company.	periods commencing on or after <b>January 1, 2024</b> with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially shall be added to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	The change doesn't have an impact on the Consolidated financial statement of the Company.	The amendments shall apply to financial periods commencing on or after <b>January 1, 2024</b> with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date.  An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.	The change doesn't have an impact on the Consolidated financial statement of the Company.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after <b>January 1, 2024</b> with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should: <ul style="list-style-type: none"> <li>• When the entity reports foreign currency transactions to its functional currency, any effect of</li> </ul>

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
			<p>the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application.</p> <ul style="list-style-type: none"> <li>• When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.</li> </ul>
<p><b>Accounting Interpretation No. (2) "Carbon Reduction Certificates"</b></p>	<p>Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM". The interpretation deals with the accounting treatment of different cases in terms of initial measurement, subsequent measurement, exclusion from the books, and necessary disclosures.</p>	<p>The management is currently studying the financial implications of applying the accounting interpretation to the Company's financial statements.</p>	<p>The application starts on or after the first of January 2025, early adaption is allowed.</p>

<p><b>The new Egyptian Accounting Standard No. (51) “Financial statements accessible to all”</b></p>	<p>1- This standard should be applied to the financial statements, including The consolidated financial statements of any entity or facility that is a currency Its limitations in a hyperinflationary economy.</p> <p>2- This standard applies to the financial statements, including The independent and individual financial statements of any entity that is its own currency in a hyperinflationary economy as This standard applies to any group that has a foreign operation, including: This includes a branch, subsidiary, sister company, or project. Shared or otherwise in a hyperinflationary economy.</p> <p>3- This standard requires amending the financial statements prepared in the currency of a hyperinflationary economy and with the aim of providing information Useful information about the organization’s financial position, performance, and changes. in its financial situation for a wide range of users to take Economic decisions based on a fair presentation of the financial statements.</p>	<p>The impact on the financial statements has not been determined until the implementation date is determined.</p>	<p>A decision shall be issued by the Prime Minister or his authorized representative to specify a start date</p> <p>The end of the financial period or periods during which this standard is to be applied when</p> <p>The registration currency shall be the local currency, taking into account the following:</p> <p>(a) This standard shall be applied to the entity’s financial statements as of the beginning of the period Finance in which the economy is classified as hyperinflation, and the numbers must be adjusted The comparison presented in the financial statements because of applying the requirements of this standard.</p> <p>(b) An exception to the requirements of Paragraph “39” of Egyptian Accounting Standard No. (1)</p> <p>Personal judgment is used when applying this standard when accounting for</p> <p>A foreign operation such as a branch, subsidiary or sister company, or venture common), to determine whether the economy is hyperinflationary.</p> <p>(c) This standard must be applied to all entities whose currency of listing is</p> <p>That currency in which the economy is classified as hyperinflationary.</p>
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**3-2 Evaluate the difficulty of exchanging foreign currencies**

- The company applied the amendment to Paragraph No. 57 A of Egyptian Accounting Standard No. (13) amended 2024, “The effects of changes in foreign exchange rates against the Egyptian pound.” The following is a summary of the results of this evaluation.
- The company evaluated that there is no difficulty in exchanging assets evaluated in foreign currencies as of January 1, 2024, which is the date of the application of the amended Egyptian Accounting Standard No. (13), and this evaluation was conducted on the basis that assets evaluated in foreign currencies can be exchanged at the bank at any time without difficulty.
- The company also evaluated that there is no difficulty in exchanging liabilities evaluated in foreign currencies, to the extent that assets evaluated in foreign currencies can be used to settle these obligations, and that there are no

liabilities evaluated in foreign currencies that will be settled from outside the banking system, and there is no estimate that there will be difficulty exchanging these balances in the near future.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in the Consolidated Financial Statements as of December 31, 2024.

Certain comparative figures have been reclassified to conform to the current presentation of the Consolidated Financial Statements (note no.40).

##### **4-1 Basic of consolidation**

- The business combination inside the group is accounted for using the acquisition method when control is transferred to the group.
- Both the transferred consideration, as well as the identifiable net value of acquired assets at the time of acquisition, are measured at fair value.
- An impairment test is performed annually for the goodwill (if any) resulting from the acquisition Any gain from a negotiated purchase is recognized immediately in profit or loss.
- The costs related to the acquisition are treated as an expense in the periods in which costs are incurred and services are received, with one exception, which is the issuance of securities against indebtedness or equity.
- The transferred consideration does not include the amounts paid to settle pre-existing relationships between the acquirer and the acquirer, and these amounts are usually recognized in profit or loss.
- The contingent consideration is measured at fair value on the date of acquisition, and in the event that the obligation to pay the contingent consideration satisfies the conditions specified for the definition of an equity instrument, it is classified under equity and is not re-measured and the subsequent settlement is processed within equity, unlike the foregoing, any material consideration Another contingency that is re-measured to fair value at the date of preparing the financial statements with any changes in fair value recognized in profit or loss.

##### **A. Subsidiaries**

- Subsidiaries consolidated financial statements includes all controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

##### **B. Non-controlling interests**

- NCI are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date. A change in the group's interest in a subsidiary that do not result in a loss of control are accounted in as equity transactions.

##### **C. Loss of control**

When the Group losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### **D. Investments in associates (equity accounted investees)**

Associates are those entities in which the Group has significant influence but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses, if any and the investment is reduced by its share in dividends, The Consolidated Financial Statements include the Group's share of income, and expenses of equity accounted investee, after adjustments to align accounting policies with those of the Group, from the date that significant influence commences to the date that significant influence ceases.



When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

#### **E. Transactions eliminated for consolidation**

Intra-group balances and transactions, and any unrealized gains or losses and income or expenses arising from Intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealized gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

#### **4-2 Foreign currencies translation**

Transactions in foreign currencies are translated to functional currencies of the Group entities using the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the reporting date to the functional currencies using the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at that date of the transaction. Foreign currency differences arising from retranslation are recognized in the consolidated statement of income except for what was included in the statement of comprehensive income as a result of applying the accounting treatment of Annex (E) the amendment accompanying the Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates".

#### **4-3 Fixed assets and depreciation**

##### **(A) Recognition and measurement**

- Items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses.
- The cost of fixed assets include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of fixed assets have different useful lives, their depreciation is accounted for as separate items.

Gains and losses on disposal of an item of fixed assets are determined by comparing the proceeds from disposal with the carrying amount of the assets and they are recognized in consolidated statement of income.

##### **(B) Subsequent costs**

The cost of replacing part of an item of property, fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of fixed assets are recognized in consolidated statement of income.

##### **(C) Depreciation**

Depreciation is recognized in profit or loss according to a straight-line method over the estimated useful life of fixed assets. Land is not depreciated.

The current year estimated useful lives for the fixed are as follows:

	<u>Estimated useful life /year</u>
Buildings and Infrastructure	5 - 50
Technical equipment and information technologies	3 - 15
Vehicles	7 - 15
Furniture	5 - 10
Tools and supplies	2 - 8

#### **4-4 Other assets (intangible assets, Usufruct assets and right of use assets)**

Other assets are licenses, submarine cables, right-of-way, land-possession and usufruct that can be controlled and which It is expected that future economic benefits will flow to the company.

Other assets are measured at purchased cost including any expenses that are directly attributable to preparing the asset for its intended use, net of accumulated amortization and impairment losses. Amortization is recognized in profit and loss on a straight-line basis over the estimated useful lives of other assets from the date that they are available for use.

##### **4-4-1 Licenses**

Licenses are measured initially at cost. Amortization is charged to the statement of income on a straight-line basis over the period of its expected use or the term of the underlying agreement, whichever is shorter.

##### **4-4-2 Right of way and right of use**

The Group recognizes an intangible asset arising from a right of way and right of use of other assets when it has the right for usage of the assets. An intangible asset is measured initially at cost upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the shorter of the period of its expected use which ranges from 10 to 20 years and the term of the underlying agreement, starting from the date of the acquisition of the right.

#### **4-5 Projects in Progress**

The amounts incurred for construction or purchases of fixed assets are recorded at cost as projects in progress till being ready for the intended use in operations. Then, they are transferred to fixed assets with its cost.

#### **4-6 Investments in associate companies**

Investments in associate companies are recorded at the time of acquisition at the cost of the acquisition, and in the event of impairment in their recoverable value for any of their investment from the book value, the book value is adjusted by the value of this impairment and charged to the income statement, for each investment separately.

#### **4-7 Financial Instruments**

##### **1) recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized at their inception. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless they are trade receivables without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. trade receivables without a significant financing component are initially measured at the transaction price.

##### **2) Subsequent classifications and measurement**

##### **Financial Assets**

Upon initial recognition, the financial asset is classified and measured at amortized cost, at fair value through other comprehensive income - debt securities, at fair value through other comprehensive income - equity instruments, or fair value through profit or loss.

Financial assets are not reclassified after initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the initial reporting period following the change in business model.

- A financial asset is measured at amortized cost if it meets both of the following conditions and has not been designated at fair value through profit or loss:
  - If the retention of these assets is within the management's business model for the purpose of collecting future cash flows.
  - If the contractual terms of these financial assets specify a specific date for the cash flows (principal and interest on the remaining unpaid principal amount).

Debt instruments are also measured at fair value through other comprehensive income if they meet the following conditions and if they were not previously classified as financial assets at fair value through profit or loss statement:

- If the retention of these assets within the business model of management includes both the collection of future cash payments and the sale of financial assets.
- If the contractual terms of these financial assets specify a specific date for the cash flows (principal amount and interest on the remaining unpaid principal amount).

Upon initial recognition of equity instruments that are not held for trading, the company may choose in a non-adjustable manner to present the subsequent changes in the fair value of these investments in the statement of other comprehensive income so that this choice is made for each investment separately.

All financial assets that are not measured at amortized cost or at fair value through the statement of other comprehensive income mentioned above must be measured at fair value through profit or loss statement, and this includes all derivative financial assets. Upon initial recognition, the company has the option to irrevocably choose classification and measurement financial assets at fair value through the statement of profit or loss and other comprehensive income if this substantially reduces the accounting mismatch that may arise.

The accounting policies related to the application are similar to the accounting policies followed by the company, with the exception of the following accounting policy, which became effective as of January 1, 2021.

**Financial Assets - Business Model Evaluation: Policy Applicable from January 1, 2021**

The company makes an evaluation of the objective of the business model in which the financial asset is held at the portfolio level because this reflects the best way of managing the business and providing information to management. The information taken into account includes: The information taken into account includes:

- The policies and objectives set for the portfolio and the operation of those policies in practice. This includes whether the management's strategy was to focus on generating contractual interest income, maintaining a certain interest rate, matching the term of financial assets to the term of any related liabilities or cash outflows or realizing cash flows through the sale of assets and

- How to evaluate the performance of the portfolio and report to the company's management about it and

The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;

- How business managers are compensated - for example whether compensation is based on the fair value of the managed assets or contractual cash flows collected; And the

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations of future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for cancellation are not considered sales for this purpose, consistent with the Company's continued recognition of assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

**Financial assets - evaluation of whether the contractual cash flows are only payments of principal and interest: policy applicable from January 1, 2021**

For the purposes of this assessment, 'Principal' is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as the consideration for the time value of money, the credit risk associated with the principal amount due within a specified period of time, and for other basic lending risks and costs (such as liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are payments of principal and interest only, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this evaluation, the Company considers the following:

Emergency events that change the amount or timing of cash flows;

- terms that may modify the contractual coupon rate, including the attributes of the variable rate;

- advance payment and extension features; And the conditions that limit the company's claim to cash flows from specific assets (for example, attributes of a non-recourse right).

The description of a cash payment corresponds to payments of principal and interest only if the amount of the advanced payments is substantially representing the unpaid amounts of principal and interest on

the principal amount outstanding, which may include reasonable additional compensation for early termination. In addition, for a financial asset obtained at a discount or premium to its contractual amount, which permits or requires advanced payments by an amount substantially more than the nominal amount plus the contractual accrued interest (but not paid) (which may also include reasonable additional amounts

Compensation for early termination) in accordance with this standard if the fair value of the prepayment is immaterial on initial recognition.

Financial Assets - Subsequent Measurement and Profit and Loss: Policy Applicable from January 1, 2021.

Financial assets classified at fair value through profit or loss	Financial assets valued at fair value through profit or loss are measured at fair value, and changes in fair value, including any incomes or dividends, are recognized in profits or losses.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. any gain or loss on derecognition is recognized in profit or loss.
Investments in equity instruments are measured at fair value through comprehensive income.	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and aren't reclassified to profit or loss.
Debt instruments measured at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Calculated interest income is calculated using the effective interest method, foreign exchange gain and loss and impairment in profit or loss. other net gains and losses are recorded in the statement of other comprehensive income. on derecognition, the cumulative gain and loss in the income statement is reclassified to profit and loss.

**Financial Assets - Policy Applicable Before January 1, 2021**

The Company classifies financial assets into one of the following categories:

- Loans and debts.
- Investments held to maturity.
- Investments available for sale and
- At fair value through the statement of profit or loss.

**Financial Assets - Subsequent Measurement, Profit and Loss: Policy Applicable Before January 1, 2021**

Financial assets at fair value through profit or loss	They are measured at fair value and changes in fair value including any incomes or dividends are recognized in profits or losses.
Financial assets - held to maturity	amortized cost using the effective interest method.
Financial assets available for sale	They are measured at fair value. Changes in fair value other than impairment losses and foreign exchange differences for debt instruments are recognized within the items of other comprehensive income and collected in the fair value reserve. On the derecognition of these assets, the cumulative profits or losses previously recognized in the items of other comprehensive income are reclassified to profit or loss.

**Financial liabilities - classification and subsequent measurement, gains and losses.**

Financial liabilities are classified as being measured at amortized cost or at fair value through profit or loss. A financial liability is designated at fair value through profit or loss if it is classified as held for trading, or if it is a derivative financial liability or has been designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net profit and loss, including any interest expense, is recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**3) Derecognition**

**financial assets**

The company derecognizes the financial asset when the contractual right to receive cash flows from the financial asset expires, or it transfers the contractual right to receive cash flows from the financial asset in a transaction in which substantially all the risks and benefits of ownership of the financial asset have been transferred. Or if the company has not transferred or retained substantially all the risks and benefits of ownership of the financial asset and the company has not have a control.

The Company enters into transactions in which it transfers the assets recognized in its statement of financial position, but retains all or substantially all the risks and rewards of the transferred assets. In these cases, the identification of transferred assets is not eliminated.

**financial Liabilities**

The company excludes the financial obligation when it ends either by getting rid of it or canceling it or the expiry of its period mentioned in the liabilities. The Company also derecognizes a financial liability when its terms are

modified and the cash flows of the modified obligations are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of the financial liability, the difference between the carrying amount repaid and the consideration paid (including any non-cash assets transferred or liabilities incurred) is recognized in profit or loss.

#### **4) offsetting**

An offsetting between a financial asset and a financial liability is made and the net amount is presented in the statement of financial position when, and only when, binding legal rights are available, as well as when they are settled on a net basis, or the realization of assets and settlement of liabilities is at the same time.

#### **4-8 Inventories**

- Inventories are measure at the lower of cost or net realizable value at the date of financial position.
- Inventory cost of components, spare parts and merchandises for sale is determined using the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location condition.

#### **4-9 Trade receivables, debtors and other debit balances**

Trade receivables, debtors and other debit balances are included as current assets unless they are contractually due over more than 12 months after the financial position date in which case they are classified as non-current assets. These assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any impairment losses.

#### **4-10 Impairment**

##### **1) Non-derivative financial assets**

##### **Financial instruments and assets arising from the contract**

The Company recognizes loss allowances for expected credit losses for:

- financial assets that are measured at amortized cost;
- investments in debt instruments that are measured at fair value through other comprehensive income; And the Assets arising from the contract.

The Company measures the loss allowance at an amount equal to the lifetime ECL, except for the following, which are measured at an amount equal to the 12-month ECL:

- debt instruments that were identified as having low credit risk at the reporting date; And the
- Other debt instruments and bank balances in which the credit risk (the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Provisions for losses of commercial customers and assets arising from contracts are always measured at an amount equal to the expected credit losses over their life.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportive information that

is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and known credit assessment including forward-looking information.

The company assumes that the credit risk of a financial asset has increased significantly.

**The Company considers a financial asset to be in default when:**

- It is unlikely that the borrower will pay its credit obligations to the group in full, without resorting to the company by procedures such as liquidating the guarantee (if any); or

The Company considers debt instruments to have low credit risk when their credit risk rating equals the globally definition of "investment grade".

Expected credit losses over the life of the asset are the expected credit losses that result from all possible failure events over the expected life of the financial instrument.

12-month ECL is the portion of ECL that results from failure events that are possible within a period of 12 months after the reporting date (or a shorter period if the instrument has an expected life of less than 12 months).

The maximum period considered in estimating ECL is the maximum contractual period over which the company is exposed to credit risk.

**Measuring expected credit losses**

It is a probability-weighted estimate of credit losses. The present value of all cash shortfalls is measured (that is, the difference between the cash flows due to the entity under the contract and the cash flows the company expects to receive).

Expected credit losses are discounted at the financial asset's effective interest rate.

**Credit impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments measured at FVOCI are credit-impaired. A financial asset is considered "credit impairment" when one or more events that have a detrimental effect on the estimated future cash flows of the financial asset occur.

**Evidence that financial assets are credit impaired includes observable data:**

- Significant financial difficulty for the lender or issuer and.
- Violation of the contract such as failure or being overdue
- the restructuring of a loan or an advance by the company on terms that the company will not take into account in one way or another; And the
- the borrower is likely to enter bankruptcy or other financial reorganization; or
- The disappearance of an active stock market due to financial difficulties.

**Display the provision for expected credit losses in the statement of financial position**

The loss allowance for financial assets measured at amortized cost is deducted from the total carrying amount of the assets.

For securities in debt securities that are measured at fair value through other comprehensive income, the loss allowance is charged to the profit or loss and is recognized in other comprehensive income.



#### **Debt write-offs**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering all or part of the financial asset. For single clients, the Company has a policy of writing off the gross book value when the financial asset is past due more than two years based on previous experience of recovering similar assets. For corporate clients, the Company makes an independent assessment of the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company does not expect any significant recovery of the amount written off. However, financial assets that have been written off may still be subject to liability activities in order to comply with the Company's procedures for recovering amounts due.

#### **4-11 Provisions**

The provisions are recognized as a result of a past event where the company has a legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated.

Provisions are reviewed at the reporting date and amended when necessary to reflect the best current estimate.

#### **4-12 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, banks current accounts, time deposits, market money fund bills and treasury bills which do not exceed three months and banks overdrafts that are repayable on demand and form an integral part of the Group's cash management preparing are included as a component of cash equivalents for the purpose of preparing the statement of cash flows. The consolidated statement of cash flows is prepared and presented according to direct method.

#### **4-13 Cost of Borrowing**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that require an extended period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Other borrowing costs are charged as an expense in the period in which they are incurred, and the borrowing costs are the interests and other costs as an expense in the period in which they are incurred, and the borrowing costs are the interests and other costs that the company spends to borrow money.

#### **4-14 Borrowing with interest**

Interest-bearing loans are initially recognized at fair value less transaction cost, and after initial recognition, interest-bearing loans are stated at amortized cost with any difference between cost and redemption value being included in the statement of profit or loss during the borrowing period based on the effective interest rate.

#### **4-15 Grants**

Grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognized in statement of income as other income on a systematic basis over the useful life of the asset.

#### **4-16 Creditors and other credit balances**

Creditors and other credit balances are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, creditors and credit accounts are stated at amortized cost using the effective interest rate.

#### **4-17 Expenses**

All operating expenses, including general and administrative expenses and selling and distribution expenses are recognized the consolidated statement of income in accordance with the accrual basis in the financial period when incurred.

#### **4-18 Net financing (cost) / income**

Financing costs comprise interest payable on borrowing, impairment losses recognized on financial assets, change in the fair value of financial assets at fair value through profit and loss and foreign exchange loss.

#### **4-19 Employees benefits**

The company contributes inside Egypt the social insurance under the Authority for the benefit of its personnel in pursuance to the Social Insurance Authority law No. 79 of 1975 and its amendments. These contributions are recorded in the "Wages and Salaries account" in addition to the early retirement scheme applied from September 1, 2001 and end of service benefits (Note no. 13).

#### **4-20 lease contracts**

##### **1) Determining whether the arrangement contains a lease or not**

At the outset of the arrangement, the company determines whether the arrangement is or contains a lease.

Initially, or when reassessing an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement in those of the lease and those of the other components on the basis of their relative fair values. If the company concludes on a finance lease that it is not possible to separate the payments reliably, then the asset and liability are recognized in an amount equal to the fair value of the underlying asset; Thereafter, the liability is reduced when payments are made and a finance cost computed on the liability is recognized using the Group's incremental borrowing rate.

##### **2) leased assets**

Leases of property, plant and equipment that transfer substantially all the risks and rewards associated with ownership to the Company are classified as finance leases. The leased assets are initially measured at an amount equal to the lower of the fair value of the fair value and the present value of the minimum lease payments. After initial recognition, assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Group's statement of financial position.

##### **3) lease payments**

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. The lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

The minimum lease payments made under finance leases are divided between finance charges and reduction of unpaid obligations. Finance expenses are charged for each period during the lease period to arrive at a constant periodic interest rate on the remaining balance of the obligation.

#### **4-21 Revenue from contracts with customers**

The company recognizes revenue from contracts with customers on the basis of a five-step model as defined in Egyptian Accounting Standard 48:

**Step 1:** Define the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and defines the criteria that must be met for each contract.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration that the company expects to receive in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that includes more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that specifies the amount in exchange for the contract that the company expects to receive in exchange for fulfilling each performance obligation.

**Step 5:** Revenue is recognized when (or whenever) the entity fulfills the performance obligation.

- The company fulfills the performance obligation and records the revenues over a period of time, if one of the following criteria is met:-

(a) The Company's performance does not create any asset that has an alternative use to the Company, and the Company has an enforceable right to pay it for performance completed to date.

(b) The company's creation or improvement of an asset that the customer controls when the asset is created or improved.

(c) The customer simultaneously receives and consumes the benefits provided by the company's performance as soon as the company performs.

- For performance obligations, in the event that one of the conditions mentioned above is fulfilled, revenue is recognized over a time period that represents the time in which the performance obligation is fulfilled.

- When the company fulfills a performance obligation by providing the promised services, it is created originally based on the contract on the amount of the contract corresponding to the performance obligation, when the amount of the contract consideration received from the customer exceeds the amount of revenue achieved, which results in advance payments from the customer (contract obligation).

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue and costs can be measured reliably, where appropriate.

The application of IFRS 48 requires management to use the following provisions:

#### **Fulfillment of performance obligations**

The company must conduct an assessment of all its contracts with customers to determine whether performance obligations are being met over time or at a point in time in order to determine the appropriate method for revenue recognition. Alternative use of the Company and usually has an enforceable right to pay for performance completed to date.

In these circumstances, the company recognizes revenue over a period of time. If this is not the case, then revenue is recognized at a point in time. For the sale of goods, revenue is usually recognized at a point in time.

#### **Set transaction prices**

- The company must determine the transaction price related to in its agreement with customers, and when using this provision, the company estimates the impact of any variable consideration in the contract due to discounts, penalties, the presence of any significant financing component in the contract, or any non-cash consideration in the contract.

#### **Transfer of control in contracts with customers**

- In the event that the company determines that the performance obligations will be satisfied at a point in time, revenue is recognized when control of the assets subject to the contract has been transferred to the customer.

- In addition, the application of the Egyptian Accounting Standard 48 led to the following:

#### **Distribution of the transaction price for the performance obligation in contracts with customers**

- The company has chosen to apply the input method in distributing the transaction price to the performance obligations so that the revenues are recognized over time. Input method. The company estimates the efforts or inputs to satisfy the performance obligation. In addition to the cost of fulfilling the contractual obligation with customers, these estimates include the time elapsed for service contracts.

#### **Other things to take into consideration**

Variable consideration: If the consideration promised in a contract includes a variable amount, then the company must estimate the amount of consideration that it is entitled to in exchange for transferring the promised goods or services to the customer. The company estimates the transaction price on contracts with variable consideration using the expected value or Most likely amount method. The method is applied consistently throughout the contract and for similar types of contracts.

#### **Important Financing Component**

The company must adjust an amount against the promised contract against the time value of money if the contract includes a significant financing component.

#### **Revenue recognition**

Revenue represents the value of services performed, including sales value and customer balances from combined sales. Revenue is recognized according to the following:

##### **Services revenue:**

- Revenue from services is recognized when they are provided to customers, and no revenue is recognized in the event that there is no certainty of recovering the consideration for this revenue or the costs associated with it.

##### **Merchandise revenue**

- Revenue from sold merchandise is recognized when the significant risks and rewards of ownership of the merchandise are transferred to the customer and there is appropriate assurance of reimbursement for it.

##### **Interest income**

- Interest is recognized on an accrual basis, taking into account the period of time and the effective interest rate.

The income from interest on deposits and securities is proven on an accrual basis, taking into account the target rate of return on the asset.

#### **Dividend revenue**

- Dividend income is recognized in the standalone profit or loss statement on the date on which the company's right to collect those distributions is established.

#### **Investment income**

Dividend income from investments in corporate equity is recognized within the limits of what the company is entitled to receive from the dividends for invested companies realized after the date of acquisition, as of the date of the issuance of the decisions of the assemblies of the investee companies regarding dividends.

The value of revenue is measured at the fair value of the consideration received or owed to the entity, and the revenue is realized when there is a sufficient expectation that there will be future economic benefits that will flow to the entity, and that the value of this revenue can be measured accurately, and no revenue is recognized in the event that there is no certainty of recovering the consideration for this revenue or costs associated with it.

#### **4-22 Earnings per share**

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders of the company excluding the share of both the employees and the Board of Directors in profits by the weighted average number of ordinary shares outstanding during the year.

#### **4-23 Reserves**

- Legal Reserve: According to the company's Article of Associations requirements, 5% of the net profit is set aside to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 50% of the company's paid up capital.
- Other reserves: the General Assembly may form other reserves based on the Board of Directors' recommendation.

#### **4-24 Income tax**

Income tax on the profit or loss for the year comprises of current and deferred tax. Income tax is recognized in the consolidated statement of income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured based on the method expected to measure the values of assets and liabilities using tax rates enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized during the next years.

#### **4-25 Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group objectives, policies and processes for measuring and managing risks, and the Group management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. Also identify and analyze the risks faced by the Group, to set appropriate risk levels and controls Monitoring those risks and their compliance with these levels.

The Group, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### **4-25-1 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

This risk is mainly resulting from the Group's trade and other debtors.

##### **Trade receivable & other debtors**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk has less of an influence on credit risk.

Most of Group's revenue is represented in sales transaction with many customers with close values for each customer, hence, there is no concentration of credit risk on specific customers.

##### **Cash and cash equivalents**

Credit risk relating to cash and cash equivalents - except cash on hand - and financial deposits arises from the risk that the counterparty becomes insolvent and accordingly is unable to return the deposited funds. To mitigate this risk, whenever possible, the Group conducts transactions and deposits funds with financial institutions with high investment grade.

#### **4-25-2 Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that the sufficient cash on demand to meet expected operational expenses for a suitable period, including the service of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

#### **4-25-3 Market risk**

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### **Currency risk**

The Group is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of the Group, primarily the U.S. Dollars (USD) and Euro. In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level through purchase or sale of the foreign currencies with current prices when that is necessary to face un-balanced short term.

##### **Interest rate risk**

The Group is exposed to market risks as a result of changes in interest rates particularly in relation to borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The basic strategy of interest rate risk management is to balance the debt structure with an appropriate mix of fixed and floating interest rate borrowings based on the Group's perception of future interest rate movements.

**Other market prices risk**

This risk arises from changes in the price of available-for-sale investments held by the Group, the Group's management monitors the equity instruments in the investments' portfolio according to the market and objective valuation of the financial statements related to these shares. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximize investment returns and the management consults external advisors in this regard.

**4-25-4 Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, the Board also monitors the level of dividends paid to shareholders. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

## 5. OPERATING REVENUES

	<b>For the financial year ended:</b>	
	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Home and personal communications	36 033 726	24 861 532
Enterprise	8 410 841	6 413 344
Domestic wholesale	9 309 866	7 655 270
International carriers	14 210 275	8 116 867
International cables and networks	14 072 221	9 632 140
	<b><u>82 036 929</u></b>	<b><u>56 679 153</u></b>

## 6. OPERATING COSTS

	<b>Note <u>No.</u></b>	<b>For the financial year ended:</b>	
		<b>31/12/2024</b>	<b>31/12/2023</b>
		<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Call cost		13 064 610	8 347 972
Depreciation of fixed assets	( 15 )	12 213 347	8 012 585
Amortization of intangible assets (licenses and frequencies)	( 16 )	1 578 182	1 422 440
Amortization of usufruct assets	( 17 )	620 954	286 022
Amortization of right of use assets (lease contracts)	(18-1)	226 274	197 186
Salaries and wages		5 744 088	4 575 988
Company's social insurance contribution		470 213	401 364
Employees vacations allowance		15 206	12 280
Frequencies and licenses charges (NTRA)		3 963 732	2 520 436
Leased circuits		886 443	483 021
Cost of merchandise available for sale		1 457 511	854 985
Right of use (IRU) outside Egypt		696 147	383 312
Fuel		1 533 644	940 716
Spare parts		692 536	392 340
Maintenance		1 331 926	967 389
Organizations services costs		4 717 076	3 219 052
Electricity and water		152 030	121 221
Materials, supplies and miscellaneous printed		106 847	98 066
Transportation cost		398 651	301 055
Cost of company calls		274 172	141 414
Other operating costs		1 098 373	611 137
		<b><u>51 241 962</u></b>	<b><u>34 289 981</u></b>



## 7. OTHER INCOMES

	<u>For the financial year ended:</u>	
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Fines and earned delay interest	179 733	136 372
Sundry revenues	520 038	350 830
	<u>699 771</u>	<u>487 202</u>

## 8. SELLING AND DISTRIBUTION EXPENSES

	<u>Note No.</u>	<u>For the financial year ended:</u>	
		<u>31/12/2024</u>	<u>31/12/2023</u>
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
Salaries and wages		2 583 893	2 017 295
Company's social insurance contribution		197 869	184 586
Employees vacations allowance		7 047	5 640
Depreciation of fixed assets	(15)	17 698	9 950
Amortization of right of use assets (lease contracts)	(18-1)	70 228	61 536
Advertising and marketing		1 355 174	1 208 732
Tax and duties		28 185	19 569
Organizations services costs		26 266	54 912
Agent's commissions and collection organizations		960 504	702 842
Other selling and distribution expenses		168 852	112 459
		<u>5 415 716</u>	<u>4 377 521</u>

## 9. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>Note No.</u>	<u>For the financial year ended:</u>	
		<u>31/12/2024</u>	<u>31/12/2023</u>
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
Salaries and wages		3 973 393	3 359 680
Company's social insurance contribution		265 779	239 113
End of service compensation	(13-1)	573 718	-
The company's contribution in loyalty and belonging fund	(13-2)	260 000	200 000
Employees vacations allowance		14 835	11 260
Depreciation of fixed assets	(15)	148 229	109 979
Amortization of right of use assets (lease contracts)	(18-1)	119 574	63 298
Organizations services costs and consultants		821 249	632 854
Tax and duties		521 672	403 636
Takaful contribution expense		268 026	182 927
Bank charges		79 803	55 080
Other general and administrative expenses		374 365	255 124
		<u>7 420 643</u>	<u>5 512 951</u>

## 10. OTHER EXPENSES

	Note No.	<b>For the financial year ended:</b>	
		31/12/2024	31/12/2023
		<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Provisions	(27)	319 954	339 235
Capital losses		20 394	-
Donations		213 852	95 983
Other expenses		1946	11 724
		<b><u>556 146</u></b>	<b><u>446 942</u></b>

## 11. NET FINANCE COST

	<b>For the financial year ended:</b>	
	31/12/2024	31/12/2023
	<b><u>LE (000)</u></b>	<b><u>LE (000)</u></b>
<b><u>Finance income</u></b>		
Interest income	427 645	536 943
Treasury bills income	70 679	101 750
Income from money market funds	34 654	17 965
Dividends income from financial assets at FVOCI	16 523	5 857
Income from prepaid tax	40 773	61 000
<b>Total finance income</b>	<b><u>590 274</u></b>	<b><u>723 515</u></b>
<b><u>Finance costs</u></b>		
Interest expense*	(10 881 711)	(4 354 306)
Finance costs for credit contracts	( 607 627)	( 278 154)
Net translation loss of foreign currencies balances and transactions	(4 858 841)	-
<b>Total finance cost</b>	<b><u>(16 348 179)</u></b>	<b><u>(4 632 460)</u></b>
<b>Net finance cost</b>	<b><u>(15 757 905)</u></b>	<b><u>(3 908 945)</u></b>

\*The increase in interest expense is mainly due to an increase in credit facilities during the year over the previous year by an amount of 7 Billion L.E, in addition to an increase in interest rate by 8% over the previous year.

## 12. SHARE OF PROFIT OR LOSS OF EQUITY ACCOUNTED INVESTEES

### 12.1 SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES – NET OF TAX SHARE OF INCOME

	<u>For the financial year ended:</u>	
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E. (000)</u>	<u>Reclassified</u> <u>L.E. (000)</u>
Vodafone Egypt Telecommunication company	8 613 021	5 242 483
Egypt Trust	49 505	37 836
	<u>8 662 526</u>	<u>5 280 319</u>

Represented in the group's share of profits of the investee companies according to the equity method

\*Reclassification was made on the comparative figures as shown in (Note no. 40-2)

### 12.2 SHARE OF LOSS OF EQUITY ACCOUNTED INVESTEES – NET OF TAX SHARE OF OCI

	<u>For the financial year ended:</u>	
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E. (000)</u>	<u>Reclassified</u> <u>L.E. (000)</u>
Vodafone Egypt Telecommunication company	(1 006 335)	( 247 662)
	<u>(1 006 335)</u>	<u>( 247 662)</u>

\*Reclassification was made on the comparative figures as shown in (Note no. 40-3)

### 13. EMPLOYEE'S BENEFITS

#### 13.1 End of service compensation

The Company applies an end of service compensation scheme under which a compensation is paid to employees who desired and meet the requirements to end their service before the legal age of retirement, therefore the company's Board of Directors decided in its meeting which have been held on February 14, 2024 to approve the application of the end of service scheme for the employees of the company before the legal age of retirement. Also on April 29, 2024, internal instructions were issued under no. (16) to determine the mechanism of applying the end of service compensation scheme by specifying the conditions of enrollment in the scheme and the benefits offered to the employees of the company according to the following:

##### **First: The important conditions of end of service compensation**

- The actual service duration in the company not less than Nineteen years.
- The employee's signature on the end of service agreement concluded between him and the company.
- Approval of the company's manpower planning committee of the company according to the requirement of work and the company has the right to reject any application.
- The subscription application submitted by the employee is final and not repealed at the expiration of seven days from the date of its submission and if the application is withdrawn, it is not allowed to apply again

##### **Second: The most important benefits of end of service compensation**

- Payment of compensation for the remaining period, which represents the total of the remaining salaries including periodic increment (%10) up to the age 60 years calculated at present value by a specified discount rate.
- Payment of compensation instead of the loyalty and belonging grant of 100 months on the basic of the calculation approved by the General Assembly of the Loyalty and Belonging Fund (salary on 1/1/2021 with an increase of 5% per annum compounded after the approval of the General Assembly of the Loyalty and Belonging Fund).
- Payment of compensation for unused leaves in accordance with the regulations in force.
- Payment of an amount of 5000 per month for three years or until the age of sixty whichever is the earliest and distributed to heirs in case of death.
- Enjoying medical insurance system for employees and their families for three years or until the age of sixty whichever is the earliest.
- Enjoying the benefit of telecommunication services for employees for three years or until the age of sixty whichever is the earliest.

The company's manpower planning committee has considered the applications for end of service compensation submitted by employees to enroll in the system to determine the extent to which those applications meet the conditions and whether the company needs the applicant employee or not, the said committee has completed the study of all the applications submitted by the employees of the company, and based on its recommendations and after obtaining all the necessary approvals, an administrative orders have been issued for the end of the service of employees whose meet the requirements of the above scheme Currently, the said committee has prepared the study of all the applications submitted to it by the employees of the company, issuing its recommendations and preparing the final reports of the results of its works in order to determine all the liabilities that the company will bear as a result of the application of the end of service compensation scheme, the company's liabilities as a result of implementation of this scheme amounted to L.E. 573 718 K for the year ended in 31 December 2024 (Note no. 9).

**13.2 END OF SERVICE BENEFITS (THE COMPANY'S CONTRIBUTION IN LOYALTY AND BELONGING FUND)**

-The employees are granted an end of service benefits through a Loyalty & belonging Fund established in January 2004. Employees' benefit is based on the employees' basic salary in January 1, 2021 increasing annually at a compound rate of 5%. The subscription for employees hired after January 1, 2021 is calculated according to a subscription schedule for new hires and increase annually at a compound rate of 5% starting from the next year of the hiring date with the same conditions of periodical raise of employees.

-The employees share in loyalty & belonging fund according to constant subscription are based on the same employees' basic salary where the end of service benefit calculated. The company's share represents annual defined contribution and the company had contributed by an amount of L.E 260 M for the year ended in December 31, 2024 (against an amount of L.E.200 M for the same year of 2023) stated in the general and administrative expenses as shown in (Note no.9)

**14. BASIC AND DILUTED EARNINGS PER SHARE FOR THE YEAR**

	<b>For the financial year ended:</b>	
	<b>31/12/2024</b>	<b>31/12/2023</b>
<b><u>The holding company owner's equity :-</u></b>		
Net Profit for the year ( L.E. in thousand )**	10 098 140	11 713 179
<b><u>Less:</u></b>		
Employees' share in dividends ( L.E. in thousand )*	1 868 596	1 678 501
Board of Directors share ( L.E. in thousand )*	59 916	53 572
<b>Net profit for the year available for distribution ( L.E. in thousand )</b>	<b>8 169 628</b>	<b>9 981 106</b>
Number of shares available during the year (share)	1 707 071 600	1 707 071 600
<b>Basic and diluted earnings per share for the year (LE / share)</b>	<b>4.79</b>	<b>5.85</b>

\* According to Board of Directors proposal to be presented in the Company and its Subsidiaries General Assembly for approval.

\*\* Reclassification was made on the comparative figures as shown in (Note no. 40-2)

Notes to the consolidated financial statements  
For the financial year ended December 31, 2024 (continued)

Translation from Arabic

15-FIXED ASSETS AND PROJECTS UNDER CONSTRUCTION

	Land	Buildings & Infrastructure	Technical equipment & information technologies	Vehicles	Furniture	Tools & supplies	Decoration & fixtures	Project under construction	Total
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Cost as at 1/1/2023 (Reclassified)	2 393 766	45 941 457	43 007 752	304 615	1 235 818	262 134	195 885	9 062 638	102 404 065
Additions during the year	-	6 573 765	9 260 614	20 472	147 330	13 643	22 195	7 386 864	23 424 883
Disposals during the year	-	(236 896)	(2 573 089)	(3 456)	(12 278)	(4 897)	(31)	(9 562)	(2 840 209)
The effect of currency of resulting from balances in foreign currencies	-	509 490	1 750 258	-	-	-	-	537 027	2 796 775
Translation differences of foreign entities	1 319	207 040	93 114	180	25 651	2	5 956	-	333 262
<b>Cost as at 31/12/2023 (Reclassified)</b>	<b>2 395 085</b>	<b>52 994 856</b>	<b>51 538 649</b>	<b>321 811</b>	<b>1 396 521</b>	<b>270 882</b>	<b>224 005</b>	<b>16 976 967</b>	<b>126 118 776</b>
Additions during the year	11 182	10 643 615	13 996 682	83 971	200 965	70 933	18 845	5 754 570	30 780 763
Disposals during the year	-	(161 866)	(911 571)	(1 172)	(8 956)	(4 868)	-	-	(1 088 433)
The effect of currency of resulting from balances in foreign currencies	-	972 541	3 755 451	-	-	-	-	1 058 837	5 786 829
Translation differences of foreign entities	4 319	656 919	355 010	453	19 350	7	27 655	-	1 063 713
<b>Cost as at 31/12/2024</b>	<b>2 410 586</b>	<b>65 106 065</b>	<b>68 734 221</b>	<b>405 063</b>	<b>1 607 880</b>	<b>336 954</b>	<b>270 505</b>	<b>23 790 374</b>	<b>162 661 648</b>
Accumulated depreciation as at 1/1/2023 Reclassified	-	20 720 499	20 328 353	128 782	910 739	174 614	165 982	-	42 428 969
Depreciation for the year	-	2 328 329	5 631 233	27 331	109 470	21 645	14 506	-	8 132 514
Accumulated depreciation for disposals	-	(133 883)	(2 550 065)	(2 963)	(12 183)	(4 894)	(31)	-	(2 703 959)
Translation differences of foreign entities	-	183 338	55 010	179	15 414	-	4 155	-	258 096
<b>Accumulated depreciation as at 31/12/2023 (Reclassified)</b>	<b>-</b>	<b>23 098 283</b>	<b>23 464 591</b>	<b>153 329</b>	<b>1 023 440</b>	<b>191 365</b>	<b>184 612</b>	<b>-</b>	<b>48 115 620</b>
Depreciation for the year	-	2 893 189	9 372 155	31 970	39 108	25 141	17 711	-	12 379 274
Accumulated depreciation for disposals	-	(130 008)	(908 502)	(1 167)	(8 951)	(4 866)	-	-	(1 053 494)
Translation differences of foreign entities	-	611 129	203 356	452	12 927	3	13 272	-	841 179
<b>Accumulated depreciation as at 31/12/2024</b>	<b>-</b>	<b>26 472 593</b>	<b>32 131 640</b>	<b>184 584</b>	<b>1 066 524</b>	<b>211 643</b>	<b>215 595</b>	<b>-</b>	<b>60 282 579</b>
<b>Net carrying amounts as at 31/12/2024</b>	<b>2 410 586</b>	<b>38 633 473</b>	<b>36 602 581</b>	<b>220 479</b>	<b>541 356</b>	<b>125 311</b>	<b>54 910</b>	<b>23 790 374</b>	<b>102 379 069</b>
<b>Net carrying amounts as at 31/12/2023 (Reclassified)</b>	<b>2 395 085</b>	<b>29 896 573</b>	<b>28 074 058</b>	<b>168 482</b>	<b>373 081</b>	<b>79 517</b>	<b>39 393</b>	<b>16 976 967</b>	<b>78 003 156</b>

- Cost of fixed assets and projects under construction includes an amount of L.E. 16 852 Million fully depreciated assets and still in use.  
- Cost of fixed assets and Projects under construction includes an amount of L.E. 5 787 Million (against an amount of L.E. 2 797 million for year 2023) which is represented in the currency differences resulting from the translation of obligations in foreign currencies existing on the date of the exchange rate liberation the and related to the acquisition of these assets. (Note no. 41-2)  
- Reclassification was made to the comparative figures are shown in (Note no. 40-1).

**Depreciation for the year is charged to income statement as follows:**

	For the financial year ended	
	31/12/2024	31/12/2023
Operating costs	No.	L.E. (000)
Selling and distribution expenses	(6)	12 213 347
General and administrative expenses	(8)	17 698
	(9)	148 229
		<b>12 379 274</b>
		<b>8 132 514</b>

**16. Intangible assets (licenses and frequencies)**

	Licenses granted for mobile services	Submarine cable Licenses	Internet services Licenses	Data Center Licenses	Goodwill	Projects under construction	Total
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Cost as at January 1, 2023	14 995 652	179 286	23 942	-	15 839	3 065 625	18 280 344
Additions during the year	-	-	900	-	-	575 247	576 147
The effect of foreign currencies differences	769 171	-	-	-	-	-	769 171
Transferred during the year	3 640 872	-	-	-	-	(3 640 872)	-
Translation difference of foreign entities	-	3 515	855	-	-	-	4 370
<b>Cost at December 31, 2023</b>	<b>19 405 695</b>	<b>182 801</b>	<b>25 697</b>	<b>-</b>	<b>15 839</b>	<b>-</b>	<b>19 630 032</b>
Cost at January 1, 2024	19 405 695	182 801	25 697	-	15 839	-	19 630 032
Additions during the year	133 001	-	-	7 724	-	4 620 000	4 760 725
The effect of foreign currencies differences	1 531 906	-	-	-	-	-	1 531 906
Disposal during the year	(205 744)	-	(100)	-	-	-	(205 844)
Translation difference of foreign entities	-	4 140	2 827	-	-	-	6 967
<b>Cost at December 31, 2024</b>	<b>20 864 858</b>	<b>186 941</b>	<b>28 424</b>	<b>7 724</b>	<b>15 839</b>	<b>4 620 000</b>	<b>25 723 786</b>
<b>Accumulated amortization as at January 1, 2023</b>	<b>3 038 858</b>	<b>98 704</b>	<b>23 405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 160 967</b>
Amortization for the year	1 402 008	20 173	259	-	-	-	1 422 440
Translation difference of foreign entities	-	2 841	749	-	-	-	3 590
<b>Accumulated amortization as at December 31, 2023</b>	<b>4 440 866</b>	<b>121 718</b>	<b>24 413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 586 997</b>
<b>Accumulated amortization as at January 1, 2024</b>	<b>4 440 866</b>	<b>121 718</b>	<b>24 413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 586 997</b>
Amortization for the year	1 556 819	20 530	382	451	-	-	1 578 182
Disposal during the year	(12 859)	-	-	-	-	-	(12 859)
Translation difference of foreign entities	-	9 814	(3 794)	-	-	-	6 020
<b>Accumulated amortization as at December 31, 2024</b>	<b>5 984 826</b>	<b>152 062</b>	<b>21 001</b>	<b>451</b>	<b>-</b>	<b>-</b>	<b>6 158 340</b>
<b>Net carrying amounts as at December 31, 2024</b>	<b>14 880 032</b>	<b>34 879</b>	<b>7 423</b>	<b>7 273</b>	<b>15 839</b>	<b>4 620 000</b>	<b>19 565 446</b>
<b>Net carrying amounts as at December 31, 2023</b>	<b>14 964 829</b>	<b>61 083</b>	<b>1 284</b>	<b>-</b>	<b>15 839</b>	<b>-</b>	<b>15 043 035</b>

- Intangible assets (licenses and frequencies) cost includes an amount of L.E 1 531 906 (against an amount of L.E. 769 171 for the year 2023) which is represented in the currency differences resulting from the translation of obligations in foreign currencies existing on the date of the exchange rate liberation the and related to the acquisition of these assets. (Note no. 41-2)

17- USUFRUCT ASSETS

	Usufruct Projects	Submarine cables	ROU	Land (Possession)	Projects Under construction	Total
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
<b>Cost as at January 1, 2023 (Reclassified)</b>	604 149	2 467 889	684 620	440 684	1 881 313	6 078 655
Additions during the year	1 241 547	579 290	117 461	-	104 290	2 042 588
The effect of foreign currencies differences	42 474	-	-	-	28 890	71 364
Disposals during the year	-	( 35 409)	( 17 470)	-	-	( 52 879)
Translation difference of foreign entities	-	58 470	12 079	-	-	70 549
<b>Cost at December 31, 2023 (Reclassified)</b>	<b>1 888 170</b>	<b>3 070 240</b>	<b>796 690</b>	<b>440 684</b>	<b>2 014 493</b>	<b>8 210 277</b>
Additions during the year	661 958	1 254 780	-	115 653	( 36 015)	1 996 376
The effect of foreign currencies differences	48 911	227 853	-	-	45 846	322 610
Disposals during the year	-	( 190 623)	( 1 729)	-	-	( 192 352)
Translation difference of foreign entities	-	187 624	39 494	-	-	227 118
<b>Cost at December 31, 2024</b>	<b>2 599 039</b>	<b>4 549 874</b>	<b>834 455</b>	<b>556 337</b>	<b>2 024 324</b>	<b>10 564 029</b>
<b>Accumulated amortization as at January 1, 2023 (Reclassified)</b>	25 557	1 147 991	259 878	-	-	1 433 426
Amortization for the year	60 857	173 164	52 001	-	-	286 022
Accumulated amortization for disposals	-	( 8 436)	( 17 470)	-	-	( 25 906)
Translation differences of foreign entities	-	49 988	5 897	-	-	55 885
<b>Accumulated amortization as at December 31, 2023 (Reclassified)</b>	<b>86 414</b>	<b>1 362 707</b>	<b>300 306</b>	<b>-</b>	<b>-</b>	<b>1 749 427</b>
Amortization for the year	285 820	258 324	68 436	8 374	-	620 954
Accumulated amortization for disposals	-	( 22 585)	( 229)	-	-	( 22 814)
Translation differences of foreign entities	-	165 011	22 862	-	-	187 873
<b>Accumulated amortization as at December 31, 2024</b>	<b>372 234</b>	<b>1 763 457</b>	<b>391 375</b>	<b>8 374</b>	<b>-</b>	<b>2 535 440</b>
<b>Net carrying amounts as at December 31, 2024</b>	<b>2 226 805</b>	<b>2 786 417</b>	<b>443 080</b>	<b>547 963</b>	<b>2 024 324</b>	<b>8 028 589</b>
<b>Net carrying amounts as at December 31, 2023 (Reclassified)</b>	<b>1 801 756</b>	<b>1 707 533</b>	<b>496 384</b>	<b>440 684</b>	<b>2 014 493</b>	<b>6 460 850</b>

- Cost of usufruct assets on December 31, 2024 includes an amount of L.E. 426 Million (against an amount of L.E. 214 million for the year 2023) fully depreciated assets and still in use.
- Usufruct assets cost includes an amount of L.E. 322 Million (against an amount of L.E. 71 Million for the year 2023) which is represented in the currency differences resulting from the translation of obligations in foreign currencies existing on the date of the exchange rate liberation and related to the acquisition of these assets. (Note no. 41-2)
- Reclassification was made to the comparative figures are shown in (Note no. 40-1).



## 18. Right OF USE ASSETS AND LIABILITIES (LEASE CONTRACTS)

### 18-1. Right of use assets (lease contracts)

	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
<b>Cost at beginning balance</b>	1 991 207	1 757 190
The effect of foreign currencies differences	9 939	-
Additions	854 904	256 667
Disposals	( 4 866)	( 93 867)
Translation difference of foreign entities	140 923	71 217
<b>Cost at ending balance</b>	<b><u>2 992 107</u></b>	<b><u>1 991 207</u></b>
<b>Accumulated amortization at beginning balance</b>	1 118 907	805 613
Amortization for the year	416 076	322 020
Disposals	-	( 48 228)
Translation difference of foreign entities	122 421	39 502
<b>Accumulated amortization at ending balance</b>	<b><u>1 657 404</u></b>	<b><u>1 118 907</u></b>
<b>Net carrying amount for right of use assets</b>	<b><u>1 334 703</u></b>	<b><u>872 300</u></b>

#### Amortization expense is distributed as follows:

	<b>Note</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>No.</u></b>	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Operating Costs	( 6)	226 274	197 186
Selling and distribution expenses	( 8)	70 228	61 536
General and administrative expenses	( 9)	119 574	63 298
		<b><u>416 076</u></b>	<b><u>322 020</u></b>

### 18-2. Lease Obligations

The Present Value of the total obligations from the ROU as follow:

	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Beginning balance of Present value for lease obligations	1 062 529	1 112 374
Additions	854 904	256 667
Disposals	( 4 866)	-
Payments	( 549 106)	( 457 655)
The effect of foreign currencies differences	9 574	-
Interest	180 353	122 095
Translation difference of foreign entities	36 183	29 048
<b>Net present value for lease obligations resulting from right of use</b>	<b><u>1 589 571</u></b>	<b><u>1 062 529</u></b>
<b>Less:</b>		
<b>Current Lease obligations</b>	<b><u>503 122</u></b>	<b><u>253 439</u></b>
<b>Non Current Lease obligations</b>	<b><u>1 086 449</u></b>	<b><u>809 090</u></b>

**19. EQUITY ACCOUNTED INVESTEEES**

	<u>31/12/2024</u>		<u>31/12/2023</u>	
	<u>Ownership %</u>	<u>LE (000)</u>	<u>Ownership %</u>	<u>LE (000)</u>
- Vodafone Egypt Telecommunication company	44.95	18 654 705	44.95	14 831 246
- Egypt Trust	35.71	67 900	35.71	52 369
- New matrix for technology	25.50	5 000	25.50	1 250
		<u>18 727 605</u>		<u>14 884 865</u>

**19-1 Vodafone Egypt telecommunication Company**

	<u>Note No.</u>	<u>31/12/2024 LE (000)</u>	<u>31/12/2023 LE (000)</u>
Balance as at January 1, 2024		14 831 246	12 169 109
Share of profit of associate	(12)	7 606 686	4 994 821
Dividends received from the associate		(3 472 323)	(2 107 410)
Dividends paid to employees		(310 904)	(225 274)
		<u>18 654 705</u>	<u>14 831 246</u>

**Statement of financial position**

	<u>31/12/2024 LE (000)</u>	<u>31/12/2023 LE (000)</u>
Non current assets	47 224 220	33 663 868
Current assets	31 483 395	19 740 733
Non current liabilities	(1 589 962)	(1 797 591)
Current liabilities	(46 112 798)	(29 108 985)
Equity	<u>31 004 855</u>	<u>22 498 025</u>

**Statement of income**

	<u>31/12/2024 LE (000)</u>	<u>31/12/2023 LE (000)</u>
Revenues	76 015 239	49 353 691
Profit before tax	22 512 403	14 773 355
Net profit and total comprehensive income for the year	<u>16 924 150</u>	<u>11 113 000</u>
Group's share of net profit and total of other comprehensive income for the year - 44.95 % (2023 : 44.95 %)	<u>7 606 686</u>	<u>4 994 821</u>

- Investment shares in associate companies are accounted using the equity method, so that the initial recognition of cost, including the costs associated with the acquisition process, and subsequent measurement is made in the consolidated financial

statements by increasing or decreasing the book value of the investment by the group's share of profits or losses and other comprehensive income in the investee company.

\* The investments in Vodafone Egypt on December 31, 2024, represents the ownership of 107 869 799 shares with a percentage of 44.95% from the total shares of Vodafone Egypt.

The financial year of Vodafone Egypt ends on March 31, the equity method was applied in recognizing the investment in Vodafone Egypt when preparing the Consolidated Financial Statements as of December 31, 2024 by using the Consolidated Financial of Vodafone Egypt for the financial year ended March 31, 2024 that were authorized by the Company's management which presents the 12 months from the 1<sup>st</sup> of April 2023 till March 31, 2024, less the movements for the period from the April 1, 2023 till December 31, 2023 extracted from the consolidated Financial Statements for Vodafone Egypt as of December 31, 2023. Plus, the movements for the period from the 1<sup>st</sup> of April 2024 till December 31, 2024 extracted from the consolidated Financial information for Vodafone Egypt as of December 31, 2024, to determine the share of financial period from January 1 to December 31, 2024 of business results.

#### 19-2 Egypt Trust

	<u>31/12/2024</u> <u>LE (000)</u>	<u>31/12/2023</u> <u>LE (000)</u>
- Balance as at January 1, 2024	52 369	14 533
- Share of profit of associate	49 505	37 836
- Dividends received from the associate	( 25 926)	-
- Dividends paid to employees	( 8 048)	-
	<u>67 900</u>	<u>52 369</u>

#### 20. Investments in financial assets at FVOCI

	<u>31/12/2024</u> <u>LE (000)</u>	<u>31/12/2023</u> <u>LE (000)</u>
Participations in foreign satellite companies and organizations	11 856	11 856
Investments in other companies	63 000	63 000
	<u>74 856</u>	<u>74 856</u>
<b>Add:</b>		
Cumulative change in fair value	45 620	8 586
	<u>120 476</u>	<u>83 442</u>

**21. INVENTORIES**

	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Spare parts	1 487 179	1 025 685
Material supplies, Merchandise for sale	6 596 013	4 030 556
Others	23 375	24 630
	<b><u>8 106 567</u></b>	<b><u>5 080 871</u></b>

Inventory's value was written down by L.E. 99 379 K (against L.E. 81 681 K at December 31, 2023) for obsolete and slow-moving items deducted directly from the cost of each type of inventory (Note no. 28).

**22. TRADE AND NOTES RECEIVABLES**

	<b>Note</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>No.</u></b>	<b><u>L.E. (000)</u></b>	<b><u>Reclassified</u></b>
		<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Trade Receivables - National*		9 839 062	6 299 419
Trade Receivables - International		12 011 106	7 071 710
		<b><u>21 850 168</u></b>	<b><u>13 371 129</u></b>
<b><u>Less:</u></b>			
Expected credit loss Provision	(28)	3 445 309	2 939 503
<b><u>Add:</u></b>			
Notes Receivables		404 871	260 918
		<b><u>18 809 730</u></b>	<b><u>10 692 544</u></b>
<b>Non current trade and notes receivables*</b>		<b>963 852</b>	<b>474 825</b>
<b>Current trade and notes receivables</b>		<b><u>17 845 878</u></b>	<b><u>10 217 719</u></b>
		<b><u>18 809 730</u></b>	<b><u>10 692 544</u></b>

\*Reclassification was made on the comparative figures as shown in (Note no. 40-1)

### 23. DEBTORS AND OTHER DEBIT BALANCES

	Note No.	31/12/2024 L.E. (000)	31/12/2023 L.E. (000)
Suppliers – Advanced Payments		1 526 384	1 337 152
Deposits with others		350 355	324 409
Accrued revenues		260 734	187 465
Tax Authority – value added tax		1 502 445	1 414 405
Due from ministries, organizations, companies and franchises		1 400 200	1 393 255
Due from external collection agencies		466 034	394 018
Temporary debts due from employees		1 760 622	1 660 773
Advanced expense		217 595	74 870
Other debit balances		1 668 291	826 572
		<b>9 152 660</b>	<b>7 612 919</b>
<b>Less:</b>			
Expected credit loss Provision	( 28)	270 031	345 560
		<b>8 882 629</b>	<b>7 267 359</b>
<b>Less balances due within more than one year:</b>			
Prepaid expenses		107 262	74 870
<b>Non-current debtors and other debit balances</b>		<b>107 262</b>	<b>74 870</b>
<b>Current debtors and other debit balances</b>		<b>8 775 367</b>	<b>7 192 489</b>
<b>Total debtors and other debit balances</b>		<b>8 882 629</b>	<b>7 267 359</b>

### 24. CASH AND CASH EQUIVALENTS

	Note No.	31/12/2024 LE (000)	31/12/2023 LE (000)
Banks - time deposits (less than 3 months)		2 440 390	8 465 974
Banks - current accounts		5 687 977	2 364 485
Cash on hand		6 351	4 638
Investment funds documents (less than 3 months)		144 522	142 885
<b>Cash and cash equivalents</b>		<b>8 279 240</b>	<b>10 977 982</b>
<b>Less:</b>			
Restricted cash and cash equivalents at banks	( 33)	713 910	535 299
<b>Cash and cash equivalents as per statement of cash flow</b>		<b>7 565 330</b>	<b>10 442 683</b>

Notes to the consolidated financial statements

For the financial year ended December 31, 2024 (continued)

Translation from Arabic

## 25. LOANS AND CREDIT FACILITIES

Description	Loan Currency	Long term loan		Balance as of 31/12/2024 L.E.(000)	Balance as of 31/12/2024 currency (000)	Balance as of 31/12/2023 L.E.(000)	Annual interest rate %	<u>Repayment schedule</u>
		installments due within one year	installments due within more than one year					
Foreign Loans	U.S.\$	10 927 920	27 347 380	38 275 300	753 006	20 090 114	Variable interest rate	Quarter installments ending on 08/11/2029
Foreign loans	EURO	103 899	804 138	908 037	17 159	651 371	Variable interest rate	Quarter installments ending on 30/06/2036
Local loans	LE	-	6 000 000	6 000 000	6 000 000	-	Variable interest rate	Quarter installments ending on 06/11/2031
Foreign suppliers' facilities	EURO	4 183	-	4 183	79	2 693	Variable interest rate	Multiple dates
Bank facilities	LE	26 016 818	-	26 016 818	26 016 808	16 725 122	Variable interest rate	Multiple dates
Bank facilities	U.S.\$	5 261 988	4 259 941	9 521 929	187 329	11 728 608	Variable interest rate	Ending in 31/12/2026
Bank facilities	EURO	-	-	-	-	143 850	Variable interest rate	Ending in 14/10/2024
		<u>42 314 808</u>	<u>38 411 459</u>	<u>80 726 267</u>		<u>49 341 758</u>		

**26. CREDITORS AND OTHER CREDIT BALANCES**

	31/12/2024	31/12/2023
	<u>L.E. (000)</u>	<u>Reclassified</u> <u>L.E. (000)</u>
Suppliers and notes payables	8 884 055	8 198 306
Tax Authority ( taxes other than income tax )	1 364 322	2 224 566
Deposits from others	1 079 078	816 853
Assets payables	30 867 849	20 017 063
Accrued expenses	2 884 582	1 473 837
Customers - credit balances	1 552 758	1 343 999
Credit balances - organizations and companies	1 394 317	501 932
Contract liabilities*	11 731 873	5 652 310
National Telecommunication Regulatory Authority (NTRA)	3 901 165	3 241 808
Social Insurance Authority	157 874	137 252
Accrued interest	749 806	422 217
Other credit balances	1 352 050	978 147
	<u>65 919 729</u>	<u>45 008 290</u>
<b><u>Less balances due within more than one year:</u></b>		
Assets payables	16 181 381	9 975 035
Contract liabilities*	6 850 092	3 918 587
<b>Non-Current creditors and other credit balances</b>	<u>23 031 473</u>	<u>13 893 622</u>
<b>Current creditors and other credit balances</b>	<u>42 888 256</u>	<u>31 114 668</u>
<b>Total creditors and other credit balances</b>	<u>65 919 729</u>	<u>45 008 290</u>

\* **Contract liabilities**

	31/12/2024	31/12/2023
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Transmission systems for mobile services	746 924	292 951
Mobile services	1 128 239	557 639
Contract liabilities - International customers	486 680	144 147
Cabels operating and maintenance services	1 456 197	294 755
Internet, telecommunications services	1 349 434	769 502
Complementary Access Customers	6 523 487	3 538 842
Customers compensations	40 912	54 474
	<u>11 731 873</u>	<u>5 652 310</u>

\*Reclassification was made on the comparative figures as shown in (Note no. 40-1)

Notes to the consolidated financial statements  
For the financial year ended December 31, 2024 (continued)

Translation from Arabic

## 27. PROVISIONS

	Balance as of 1/1/2024	Charged to income statement	Used during the year	Translation differences	Balance as of 31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Claims and liabilities provision	1 426 365	319 954	(437 202)	1 456	1 310 573
	<u>1 426 365</u>	<u>319 954</u>	<u>(437 202)</u>	<u>1 456</u>	<u>1 310 573</u>

\* Claims provision is related to contingent tax liabilities, lawsuits, compensation and social insurance claims in respect of contracting contracts.

## 28. IMPAIRMENT LOSS ON ASSETS

	Note No.	Balance as of 1/1/2024	Charged to income statement	Reversal of impairment income statement	Used during the year	Balance as of 31/12/2024
		<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Impairment loss on fixed assets and projects under construction	(15)	31 314	(1 076)	-	(183)	30 055
Write-down of inventories	(21)	81 681	17 698	-	-	99 379
ECL on trade and notes receivables	(22)	2 939 503	551 102	(31 174)	(14 122)	3 445 309
ECL on debtors and other debit balances	(23)	345 560	3 167	(78 696)	-	270 031
		<u>3 398 058</u>	<u>570 891</u>	<u>(109 870)</u>	<u>(14 305)</u>	<u>3 844 774</u>

\*ECL of Trade receivables, debtors and other debit balance was made according to expected credit loss and to verify the expected credit loss value some factors like current aging and liquidity are taken into consideration.



## 29. CAPITAL

- The company's issued and fully paid-up capital is L.E. 17 070 716 K, represented in 1 707 071 600 shares at a par value of L.E. 10 each
- The Egyptian Government owns 70% after offering 20% of company's shares in public offering during December 2005 and 10% during the year 2023.

## 30. RESERVES

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Legal reserve*	3 392 548	3 070 495
Other reserve	2 855 145	2 794 204
	<u>6 247 693</u>	<u>5 864 699</u>

\* General reserve amounting to L.E. 2 762 626 K as at December 31, 2024 represents the dividends transferred to the general reserve for years 1999/2000 till 2006 after deducting L.E. 1 278 797 K which represents the net adjustments on the fixed assets for land item during the years from 2005 to 2014, and transfer an amount of L.E. 2 000 000 K from general reserve to retained earnings according to Ordinary General Assembly decree which was held on March 20, 2016.

## 31. Income tax

### 31-1 Items recognized in statement of income

	<u>For the financial year ended</u>	
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Current income tax	(2 677 742)	(1 361 364)
Deferred tax	2 226 615	( 555 771)
	<u>( 451 127)</u>	<u>(1 917 135)</u>

### 31-2 Items recognized in Statement of Comprehensive Income

	<u>For the financial year ended</u>	
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Current income tax	811 620	590 495
Deferred tax on translation differences of foreign currency balances	2 209 617	383 590
Deferred tax on net change in fair value of financial assets at FVOCI	( 8 332)	( 1 932)
	<u>3 012 905</u>	<u>972 153</u>

**31-3 Recognized Deferred tax assets and liabilities**

	31/12/2024		31/12/2023	
	Assets	(Liabilities)	Assets	(Liabilities)
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Fixed assets and projects under construction	-	(1 437 324)	-	(1 602 472)
Intangible assets	-	( 661 562)	-	( 611 842)
Currency differences	7 438 975	( 62 871)	2 805 227	( 18 841)
Write down of inventories	21 859	-	17 920	-
ECL loss on trade receivables and debtors and other debit balances	73 580	-	126 233	-
Provisions	3 157	-	4 080	-
Accrued liabilities	22 571	-	26 399	-
Loss on re-evaluation of investment in financial assets at FVOCI	-	( 6 556)	1 881	-
Undistributed profit in subsidiaries and associated	-	(2 413 347)	-	(2 198 003)
<b>Total deferred tax asset / (liabilities)</b>	<b>7 560 142</b>	<b>(4 581 660)</b>	<b>2 981 740</b>	<b>(4 431 158)</b>
<b>Net deferred tax assets / liabilities</b>	<b>2 978 482</b>		<b>-</b>	<b>(1 449 418)</b>
<b>Deferred tax charged to the statement of income for the year</b>	<b>4 427 900</b>	<b>-</b>	<b>32 792</b>	<b>-</b>
<b>Deferred tax in the statement of income for the year</b>	<b>2 226 615</b>	<b>-</b>	<b>-</b>	<b>( 555 771)</b>
<b>Deferred tax charged to the statement of comprehensive income for the year</b>	<b>2 201 285</b>	<b>-</b>	<b>588 563</b>	<b>-</b>

**31-4 Unrecognized deferred tax assets**

	31/12/2024	31/12/2023
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
ECL loss on trade and notes receivable	726 036	570 559
ECL loss on debtors & other debit balances	60 057	86 757
Provision for liabilities and claims	104 240	73 222
Other	16 270	7 503
	<b>906 603</b>	<b>738 041</b>

Deferred tax assets have not been recognized in respect of the above items due to uncertainty of the utilization of their benefits in the foreseeable future.

**31-5 Reconciliation of effective tax rate**

	<b>For the financial year ended:</b>	
	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Net profit for the year before income tax	10 562 454	13 390 098
Income tax according to the current tax law (22.5%)	2 376 552	3 012 772
Tax on dividends from subsidiaries and associates	679 748	246 395
<b><u>Add / (Less):</u></b>		
Tax rate difference for subsidiaries outside Egypt	2 885	4 971
Provisions and impairment	( 3 806)	19 340
Exempted investments income	(1 316 909)	( 543 299)
Foreign tax paid outside Egypt	( 17 137)	( 12 235)
Adjustments on other items	(1 479 975)	(1 341 822)
Adjustments on retained earnings	-	40 531
Adjustments on previous years	( 976)	82
Tax on undistributed profit in subsidiaries and associates	210 745	490 400
<b>Income tax</b>	<b>451 127</b>	<b>1 917 135</b>
<b>Effective tax rate</b>	<b>4.27%</b>	<b>14.32%</b>

**31-6 Current income tax**

	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
Tax Authority - income tax	(1 110 218)	( 704 430)
<b><u>Less:</u></b>		
Tax Authority -Advanced payments	1 284 556	1 255 454
Tax Authority - Debit Balance	258 172	-
Tax Authority - withholding tax	307 742	339 636
	<b>740 252</b>	<b>890 660</b>

### 32. CAPITAL COMMITMENTS

The company's capital commitments for the unexecuted parts of contracts until December 31, 2024 amounted to L.E. 2 194 Million (against L.E. 1 771 Million as at December 31, 2023)

### 33. CONTINGENT LIABILITIES

**In addition to the amounts included in the consolidated statement of financial statements, there are the following contingent liabilities on December 31, 2024:**

	<b>31/12/2024</b>	<b>31/12/2023</b>
	<b><u>L.E. (000)</u></b>	<b><u>L.E. (000)</u></b>
- Letters of guarantee issued by banks on behalf of the company*	3 868 736	3 475 500
- Letters of credit	2 193 601	1 771 291

\* Letters of guarantee which were issued by banks on behalf of the company and for the benefits of others as at December 31, 2024 include letters of guarantee have been issued against restricted cash and cash equivalent at banks (Note no.24).

### **34. TAX POSITION**

#### **34-1 Corporate tax**

- Tax inspection was performed for the years till December 31, 2018 and all due taxes and fines were settled for those years.
- Tax inspection for the years from January 1, 2019 until December 31, 2023 have not been done to date.
- Tax return are submitted according to the income tax law No. 206 of 2020, its amendments and its executive regulations, also the due taxes are paid on legal dates.

#### **34- 2 Value Added Tax \ Sales Tax**

- Tax inspection for the years till December 31, 2020 was performed and the tax differences were settled for those years except the additional tax for years from 2018 till 2020.
- Tax returns are submitted according to the value added tax law and according to the law No. 206 of 2020 issuing the Unified Tax Procedures Law, and the due taxes, if any, are paid on the legal dates.

#### **34- 3 Salary & wages Tax**

- Tax inspection was performed for the years till December 31 ,2014 and the Company was notified with tax differences and all due taxes.
- Tax inspection for the year 2015 till 2022 has been performed and all due taxes were settled except fines.
- Years from 2023 till the date, the company is regular in deducting and remitting taxes on legal dates according to the law No. 206 of 2020, its amendments and its executive regulations also, the tax settlement are submitted according to the provisions of law No. 206 of 2020 issuing the Unified Tax Procedures Law.

#### **34- 4 Stamp Tax**

- Tax inspection for the period starting from March 27, 1998 to December 31, 2000 was performed for certain sectors of the company, and the company was notified of the tax assessment elements, and the company filed remedies and appears against legal deadlines.
- Tax inspection for the period starting from January 1, 2001 till July 31, 2006 was performed for certain sectors of the company and tax due were settled. Tax inspection for the remaining sectors is currently being undertaken for the same period.
- Tax inspection for the period starting from August 1, 2006 to December 31, 2020 was performed and all the due taxes were settled.
- Development drawing for the years 2020 / 2021 was inspected and the inspection did not reveal any differences.

#### **34- 5 Real Estate Tax**

- All due taxes are being paid according to the tax claim forms received by the company. The company's Legal Department follows up the disputes according to the real estate tax law.
- Tax returns were submitted according to the new real estate tax law No. 196 for the year 2008 also, the due taxes are settled on these due dates.

Notes to the consolidated financial statements  
For the financial year ended December 31, 2024 (continued)

Translation from Arabic

### 35. RELATED PARTY TRANSACTIONS

There are transactions between Telecom Egypt and its associates. Transactions during the year and balances on the financial statements date are stated as follows:

Nature of translation	Amount of transactions		Transaction volume during the year	Balance as of 31/12/2024	Balance as of 31/12/2023
	during the year recorded in the income statement	Debit L.E. 000			
<u>35-1 Credit balances due to associates</u>					
Vodafone Egypt Telecommunications Comp: to the associates company	5 698 495			(2 468 657)	(1 083 772)
Incoming and international calls, transmission claims & lease of company premises and towers to the associates company	5 321 754		19 474 882		
Telecommunications Services			18 089 997	(2 468 657)	(1 083 772)
			<u>18 089 997</u>	<u>(2 468 657)</u>	<u>(1 083 772)</u>

### 35-2 Transactions with the Egyptian government

The Egyptian government contributes 70% of the capital represented by the Ministry of Finance which results in existence of mutual services between the company and the governmental entities, including revenues, costs, and other expenses, transactions related to taxes, social insurance and customs.

### 35-3 Transactions with the Board of directors

On March 26, 2024, The Company's ordinary general assembly decided to approve the disbursement of an amount of L.E 18 550 K to the members of the board of directors as the board's share in the profits for the fiscal year ended in December 31, 2023, in addition to board sessions allowances stipulated in the ordinary general assembly of the company.

## 36. GROUP ENTITIES

Parent company's direct and indirect share in subsidiaries companies on December 31, 2024 which were included in the consolidated financial statements are as follows:

<u>Company name</u>	<u>Country of incorporation</u>	<u>Ownership interest</u>	
		<u>31/12/2024</u>	<u>31/12/2023</u>
Telecom Egypt France	France	100.00 %	100.00 %
WE Data	Egypt	100.00 %	100.00 %
T.E Data Jordan	Jordan	100.00 %	100.00 %
TE Investment Holding	Egypt	100.00 %	100.00 %
The Egyptian Telecommunication Company for Information Systems (Xceed)	Egypt	100.00 %	100.00 %
Xceed Customer Care Maroc	Morocco	100.00 %	100.00 %
Xceed Customer Care Mauritius	Mauritius	100.00 %	100.00 %
Xceed Customer Care FZCO	Emirates	100.00 %	100.00 %
AL-MASRIAH for IT Systems Company	Saudi Arabia	100.00 %	100.00 %
Centra Technologies	Egypt	100.00 %	100.00 %
Centra Industries	Egypt	100.00 %	100.00 %
Telecom Egypt Globe	Singapore	100.00 %	100.00 %
Egyptian International Submarine Cables Company (EISCC)*	Egypt	- %	100.00 %
Middle East and North Africa Submarine Cables Company (MENA) *	Egypt	100.00 %	100.00 %
MENA Cable Italy	Italy	100.00 %	100.00 %
TE for sports investment	Egypt	100.00 %	100.00 %
Middle East Radio Communication (MERC)	Egypt	51.00 %	51.00 %

\* The Egyptian International Submarine Cables Company (Eiscc) was merged into the Middle East and North Africa Submarine Cables Company on December 2, 2024.

### 37. Non-controlling interest

The non-controlling interest in the subsidiaries companies on December 31, 2024 which were included in the consolidated financial statements are as follows.

<u>Middle East Radio Communication (MERC)</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
NCI Percentage	49%	49%
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Non current assets	10 543	9 137
Current assets	152 575	133 048
Non current liabilities	1 755	1 904
Current liabilities	113 042	103 610
<b>Net assets</b>	<b>48 321</b>	<b>36 671</b>
<b>Net assets attributable to NCI</b>	<b>23 679</b>	<b>17 970</b>
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E (000)</u>	<u>L.E (000)</u>
Net profit of the year	26 914	16 004
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>26 914</b>	<b>16 004</b>
<b>Net profit - NCI</b>	<b>13 188</b>	<b>7 446</b>
<b>Other comprehensive income - NCI</b>	<b>-</b>	<b>-</b>
	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>L.E (000)</u>	<u>L.E (000)</u>
Cash flows from operating activities	51 031	16 527
Cash flows from investing activities	( 3 800)	( 1 371)
Cash flows from financing activities	( 11 910)	( 7 738)
<b>Net increase in cash and cash equivalents</b>	<b>35 321</b>	<b>7 418</b>



### 38. FINANCIAL INSTRUMENTS

#### 38 -1 Credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the consolidated statement of financial position date as follows: -

Description	Note No.	31/12/2024 L.E. (000)	31/12/2023 L.E. (000)
Financial assets at FVOCI	(19)	120 476	83 442
Trade and notes receivable	(22)	18 809 730	10 692 544
Debtors and other debit balances	(23)	8 882 629	7 267 359
Cash and cash equivalents	(24)	8 279 240	10 977 982
		<b>36 092 075</b>	<b>29 021 327</b>

The expected credit loss in both of trade receivables and debtors and other debit balances are represented as follow:-

Description	Carrying Amount L.E. (000)	Due 30 day L.E. (000)	Due from 31 day to 90 day L.E. (000)	Due from 91 day to 180 day L.E. (000)	Due from day to 181 day 270 L.E. (000)	More than day 270 L.E. (000)	Total L.E. (000)
<b>December 31, 2024</b>							
Expected credit loss rate	1%	3%	4%	9%	10%	32%	
Gross carrying amount	1 226 955	4 958 723	8 236 982	6 136 985	3 658 963	7 189 089	31 407 697
Expected credit loss Provision	9 654	148 963	350 000	523 986	369 057	2 313 680	3 715 340
<b>December 31, 2023</b>							
Expected credit loss rate	1%	4%	5%	10%	13%	38%	
Gross carrying amount	836 185	3 224 388	5 141 159	3 495 895	2 752 306	5 795 033	21 244 966
Expected credit loss Provision	6 211	117 273	250 990	332 544	369 057	2 208 987	3 285 062

**38-2 Liquidity risk**

The following are the expected maturities of undiscounted financial liabilities at the consolidated financial position date:

Description	Total	One year or less	From 1-2 years	From 3-5 years	More than 5 years
	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
<b><u>December 31, 2024</u></b>					
Creditors and other credit balances	68 639 361	44 140 293	22 830 839	758 041	910 188
Loans and credit facilities	96 420 243	51 084 227	16 945 127	27 343 227	1 047 662
Lease obligations	2 239 758	1 004 659	413 292	358 044	463 763
	<b><u>167 299 362</u></b>	<b><u>96 229 179</u></b>	<b><u>40 189 258</u></b>	<b><u>28 459 312</u></b>	<b><u>2 421 613</u></b>
<b><u>December 31, 2023</u></b>					
Creditors and other credit balances*	46 713 220	35 320 540	9 758 071	734 272	900 337
Loans and credit facilities	58 934 278	36 050 973	6 251 054	15 584 589	1 047 662
Lease obligations	1 497 136	357 103	374 587	301 683	463 763
	<b><u>107 144 634</u></b>	<b><u>71 728 616</u></b>	<b><u>16 383 712</u></b>	<b><u>16 620 544</u></b>	<b><u>2 411 762</u></b>

\*Reclassification was made on the comparative figures as shown in (Note no. 40-1)



Notes to the consolidated financial statements  
For the financial year ended December 31, 2024 (continued)

38- FINANCIAL INSTRUMENTS (CONTINUED)  
38-3 Currency risk exposure:

Description	U.S. Dollars	Euro	Canadian Dollar	Maroccan Dirham	Jordanian Dinar	Mauritius robia	Saudi riyal	Chinees Yuan	Emirate Dirhams	Total
	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	L.E. (000)
<b>December 31, 2024</b>										
Trade receivables	279 224	18 429	1 777	75 204	-	22 329	-	-	-	15 624 778
Debtors and other debit balances	589	873	651	32 619	535	16 599	107	-	11	317 053
Cash & cash equivalents	106 932	8 196	1	12 405	4 042	41 359	128	-	165	6 266 542
<b>Total assets in currency</b>	<b>386 745</b>	<b>27 497</b>	<b>2 429</b>	<b>120 228</b>	<b>4 577</b>	<b>80 287</b>	<b>235</b>	<b>-</b>	<b>176</b>	<b>22 208 373</b>
Creditors & other credit balances	215 208	196 727	-	9 286	1 543	7 713	28	816 353	3	27 200 720
Foreign loans & facilities	753 006	17 238	-	-	-	-	-	-	-	39 187 515
<b>Total liabilities in currency</b>	<b>968 214</b>	<b>213 965</b>	<b>-</b>	<b>9 286</b>	<b>1 543</b>	<b>7 713</b>	<b>28</b>	<b>816 353</b>	<b>3</b>	<b>66 388 235</b>
Risk surplus (deficit)	(581 469)	(186 468)	2 429	110 942	3 034	72 574	207	(816 353)	173	(44 179 862)
Equivalent in Egyptian Pound	(29 556 083)	(9 867 674)	85 976	545 835	216 599	76 928	2 799	(5 686 634)	2 393	(44 179 862)
<b>December 31, 2023</b>										
Trade receivables	164 747	24 104	3 351	60 855	-	20 173	-	-	-	6 174 073
Debtors and other debit balances	1 932	715	1 758	31 930	294	15 768	28	-	112	247 573
Cash & cash equivalents	300 869	17 466	73	38 451	3 546	35 799	450	-	266	10 165 006
<b>Total assets in currency</b>	<b>467 548</b>	<b>42 285</b>	<b>5 182</b>	<b>131 236</b>	<b>3 840</b>	<b>71 740</b>	<b>478</b>	<b>-</b>	<b>378</b>	<b>16 586 652</b>
Creditors & other credit balances	203 858	323 833	-	-	-	-	-	-	-	17 440 525
Foreign loans & facilities	926 372	23 424	-	-	-	-	-	-	-	29 330 158
<b>Total liabilities in currency</b>	<b>1 130 230</b>	<b>347 257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 770 683</b>
Risk surplus (deficit)	(662 682)	(304 972)	5 182	131 236	3 840	71 740	478	-	378	(30 184 031)
Equivalent in Egyptian Pound	(20 410 371)	(10 388 288)	120 734	340 144	106 538	40 420	3 637	-	3 155	(30 184 031)

Exchange rates for currencies against Egyptian pound:

	Average exchange rate during:		Closing exchange rate as at:	
	2024	2023	31/12/2024	31/12/2023
U.S. Dollar	L.E.	L.E.	L.E.	L.E.
	44.3946	30.2435	50.8300	30.8000
Euro	47.9781	32.7165	52.9192	34.0634
Canadian Dollar	33.1300	22.7700	35.4000	23.3000
Saudi Riyal	12.1300	8.1800	13.5200	8.2100
Chinees Yuan	5.5081	-	6.9659	4.3500
Maroccan Dirham	-	-	-	-
Jordanian Dinar	-	-	-	-
Mauritius robia	-	-	-	-
Emirate Dirhams	-	-	-	-

### 38-4 Sensitivity analysis

A 10% strengthening of the foreign currencies against the EGP as of December 31, 2024 may lead to losses increase by an amount of L.E 4 417 986 K (L.E. 3 018 403 K as of December 31, 2023). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis on 2023.

And a 10% weakening of the foreign currencies against L.E. at December 31, 2024 would have had the equal but opposite effect on the foreign currencies to the amounts shown above.

### 38-5 Interest rate risk

At the consolidated financial statements date, the interest rate profile of the company's financial instruments is:

<b>Description</b>	<b>Note No.</b>	<b>31/12/2024 L.E. (000)</b>	<b>31/12/2023 L.E. (000)</b>
<u>Financial instruments with variable interest rate</u>			
Financial assets – deposits	(24)	2 440 390	8 465 974
Financial liabilities (loans-credit facilities)	(25)	80 726 267	49 341 758

### 38-6 Fair values for financial instruments

The financial instruments are represented in the balance of cash on hand and at banks, loans and credit facilities, trade receivables, investments, debtors and creditors balances.

According to the valuation techniques followed in evaluating the assets and liabilities of the group, the carrying value of these financial instruments represents a reasonable estimate of their fair value.

### 39 - Segment reporting

As of the group activity level, the group of company defined the main operating activity segments and its prepared according to service provided. The information presented after the elimination of inter-segment transaction. The main operating activities segments for the group represented as follows:

#### For the financial year ended 31/12/2024

Description	Communications, marine cables and infrastructure	Internet	Outsourcing	All other	Total
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Operating revenues	46 962 756	31 315 659	3 120 078	638 436	82 036 929
Operating costs	( 41 599 361)	( 3 736 604)	( 5 408 794)	( 497 203)	( 51 241 962)
<b>Gross profit</b>	<b>5 363 395</b>	<b>27 579 055</b>	<b>( 2 288 716)</b>	<b>141 233</b>	<b>30 794 967</b>
Credit interest	464 686	54 059	21 155	33 851	573 751
Debit interest and Finance cost	( 11 441 304)	( 12 644)	( 21 560)	( 13 830)	( 11 489 338)
Depreciation and amortization	( 13 675 431)	( 1 030 942)	( 274 848)	( 13 265)	( 14 994 486)
The company's share of profit in associates companies	7 656 202	-	-	-	7 656 202
<b>Non cash items</b>					
ECL loss on financial assets	( 289 670)	( 170 130)	25 084	( 9 683)	( 444 399)
Provisions	( 110 550)	( 180 000)	( 28 075)	( 1 329)	( 319 954)
<b>Total assets</b>	<b>185 751 097</b>	<b>8 859 314</b>	<b>2 471 513</b>	<b>870 864</b>	<b>197 952 788</b>
<b>Total liabilities</b>	<b>141 722 968</b>	<b>4 670 748</b>	<b>1 327 855</b>	<b>4 293 226</b>	<b>152 014 797</b>

#### For the financial year ended 31/12/2023

Description	Communications, marine cables and infrastructure	Internet	Outsourcing	All other	Total
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Operating revenues	32 929 028	21 261 464	2 036 357	452 304	56 679 153
Operating costs	( 20 980 227)	( 11 789 969)	( 1 141 379)	( 378 406)	( 34 289 981)
<b>Gross profit</b>	<b>11 948 801</b>	<b>9 471 495</b>	<b>894 978</b>	<b>73 898</b>	<b>22 389 172</b>
Credit interest	622 454	66 011	5 586	23 607	717 658
Debit interest and Finance cost	( 4 595 439)	( 8 571)	( 11 019)	( 17 431)	( 4 632 460)
Depreciation and amortization	( 6 963 031)	( 2 983 850)	( 205 800)	( 10 315)	( 10 162 996)
The company's share of profit in associates companies*	5 032 657	-	-	-	5 032 657
<b>Non cash items</b>					
ECL loss on financial assets	( 258 294)	18 139	( 35 928)	3 509	( 272 574)
Provisions	( 83 344)	( 233 440)	( 14 504)	( 7 947)	( 339 235)
<b>Total assets *</b>	<b>138 588 824</b>	<b>9 010 247</b>	<b>1 812 624</b>	<b>845 369</b>	<b>150 257 064</b>
<b>Total liabilities*</b>	<b>92 528 439</b>	<b>3 173 788</b>	<b>866 933</b>	<b>2 802 972</b>	<b>99 372 132</b>

\*Reclassification was made on the comparative figures as shown in (Note no. 40)

**40- COMPARATIVE FIGURES**

- Reclassification was made to some of the comparative figures of the consolidated statement of financial position, to conform to the current presentation of the consolidated financial statements.
- The following is the effect of reclassification on the consolidated financial statements:

**40-1 Effect on the consolidated statement of financial position**

	<u>31/12/2023</u> <u>as previously</u> <u>reported</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>Reclassification</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>31/12/2023</u> <u>Reclassified</u> <u>debit / (credit)</u> <u>L.E.(000)</u>
Fixed assets and projects under constructions	77 846 793	156 363	78 003 151
Usufruct assets	6 617 213	( 156 363)	6 460 850
Trade and notes receivables (non-current)	857 855	( 383 030)	474 825
Creditors and other Credit balance (non-current)	(10 354 780)	(3 538 842)	(13 893 622)
Creditors and other Credit balance (current)	(35 036 540)	3 921 872	(31 114 668)

**40-2 Effect on the consolidated statement of income**

	<u>as previously</u> <u>reported</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>Reclassification</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>Reclassified</u> <u>debit / (credit)</u> <u>L.E.(000)</u>
Share of profit of equity accounted investees - net of tax	5 032 657	247 662	5 280 319

**40-3 Effect on the consolidated statement of other comprehensive income**

	<u>31/12/2023</u> <u>as previously</u> <u>reported</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>Reclassification</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>31/12/2023</u> <u>Reclassified</u> <u>debit / (credit)</u> <u>L.E.(000)</u>
Equity accounted investees - net of tax share of OCI	-	( 247 662)	( 247 662)

#### **41- SIGNIFICANT EVENTS**

##### **41-1 The effect of exchange rate liberalization**

In light of the current global and local economic circumstances and geopolitical risks, the Central Bank of Egypt has taken some financial measures during the years 2022 and 2023 to contain the impact of these circumstances and risks on the Egyptian economy, and among these are the devaluation of the Egyptian pound against foreign currencies, and increasing the interest rate on overnight deposit and the lending rate in addition to setting maximum limits on cash withdrawals and deposits in banks. Resulting in a decrease in the interchange and availability of foreign currencies, which may result in negative effects.

##### **41-2 The issuance of Annex (E) the amendment accompanying the Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates":**

- On May 23, 2024, prime minister's Decision No. 1711 of 2024 was issued to replace some of the provisions of the Egyptian accounting standards No. 13 "the effects of changes in foreign currency exchange rates" added to appendix (E) of the Egyptian accounting standard mentioned above. This is to establish special, optional accounting treatments through which the implications can be dealt with Extraordinary decisions of the Central Bank, especially amending the foreign exchange rate on the financial statements of the facility whose statements were affected negatively after amending foreign exchange rate. This optional special accounting treatment issued in this appendix is not considered an amendment to the current Egyptian accounting standards, hereafter the period for the effectiveness of this Appendix. The company's management has implemented the temporary option mentioned in Paragraph (3B) of this Appendix, and these treatments are as follow:
  1. An establishment that, prior to the date of edit the exchange rate, may acquire fixed assets and/or real estate investments and/or exploration and evaluation assets and/or intangible assets (other than goodwill) and/or right of use assets for lease contracts, funded by existing obligations in that date in foreign currencies, to recognize within the cost of those assets on the debit currency differences resulting from the settled due parts of these obligations during the financial period to apply this special accounting treatment. In addition to the currency difference resulting from translating the remaining balance of these obligations at the end of March 6, 2024 or on the end of the closing date of the financial statements for the fiscal period to apply this accounting treatment using the exchange rate used on that date. The facility can apply this option for each asset separately.
  2. When editing the cost of assets by applying paragraph "6" of this appendix the net adjusted cost shall not be more than the realizable value of asset which is measured in accordance with the amended Egyptian accounting standard No. 31 "impairment of assets".
  3. as an exception to the requirements of Paragraph No. 28 of the amended Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Currency Exchange Rates" amended in 2024 regarding the recognition of currency differences, an enterprise whose business results were affected by net profits or losses of currency differences as a result of moving the currency exchange rate, Whether the currency of its entry is the Egyptian pound or any other foreign currency, resulting from the retranslation of the balances of items of monetary nature existing at the end of March 6, 2024 or at the end of the closing date of the financial statements for the fiscal period to apply this special accounting treatment using the exchange rate used on that date, deducted from it any currency translation differences that have been recognized as cost of assets in accordance with paragraph No. 6 of this Appendix. Considering that these differences were mainly caused by the unusual movements of the exchange rate.
  4. The amount of currency differences resulting from the translation of items of monetary nature which are presented in other comprehensive income items in accordance with paragraph No. 8 of this appendix is included in retained profits or losses at the end of same financial period to apply the accounting treatment contained in this appendix.

**The application of those treatments has affected the consolidated financial statements for the current year as follows:**

<u>Item</u>	Before applying the accounting treatment	The impact of applying the accounting treatment	After applying the accounting treatment
	Debit / (Credit)	Debit / (Credit)	Debit / (Credit)
	<u>L.E(000)</u>	<u>L.E(000)</u>	<u>L.E(000)</u>
	<u>31/12/2024</u>		<u>31/12/2024</u>
<b><u>1-Statement of financial position</u></b>			
Fixed assets and projects under construction	96 592 240	5 786 829	102 379 069
Intangible assets (licenses and frequencies)	18 033 540	1 531 906	19 565 446
Usufruct assets	7 705 979	322 610	8 028 589
Retained earnings	( 31 296 176 )	10 406 485	( 20 889 691 )
<b><u>2- Statement of income</u></b>			
Finance cost	37 427 184	(21 079 005)	( 16 348 179 )
Depreciations and amortizations	13 803 726	1 190 723	14 994 449
Income tax	(3 472 365)	3 021 238	(451 127)
Basic and diluted (loss)/ earnings per share	(4.24)	9.03	4.79
<b><u>3-Statement of other comprehensive income</u></b>			
Translation differences of foreign currency balances	-	( 13 427 662 )	( 13 427 662 )
Income tax on translation differences of foreign currency balances	-	3 021 237	3 021 237