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Translation from Arabic

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Condensed Consolidated Interim Financial Statements
For The Three Months Ended March 31, 2026
And Limited Review Report

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(An Egyptian Joint Stock Company)
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For The Three Months Ended March 31, 2026
And Limited Review Report

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Hazem Hassan

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Translation from Arabic

Limited Review Report on The Condensed Interim Consolidated Financial Statements To The Board of Directors of Telecom Egypt Company

Introduction

We have performed a limited review on the accompanying March 31, 2026, condensed interim consolidated financial statements of Telecom Egypt Company “an Egyptian joint stock company” and its subsidiaries “the Group”, which comprises:

- The interim consolidated statement of financial position as of March 31, 2026;
- The interim consolidated statements of profit or loss for the three months ended March 31, 2026;
- The interim consolidated statements of comprehensive income for the three months ended March 31, 2026;
- The interim consolidated statements of changes in equity for the three months periods ended March 31, 2026;
- The interim consolidated statements of cash flows for the three months periods ended March 31, 2026;
- The notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with Egyptian Accounting Standard number (30) “Interim Financial Reporting”. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements number (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed interim consolidated financial statements.



Hazem Hassan

Translation from Arabic

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying for the three months ended March 31, 2026, condensed interim consolidated financial statements do not present fairly, in all material respects, in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting".

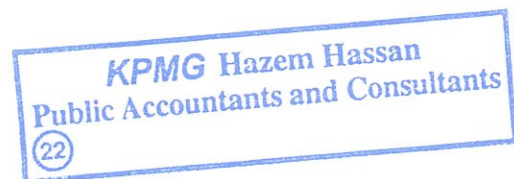
Emphasis of Matter

Without qualifying our conclusion expressed above, we draw attention to the details disclosed in Note (36) to the condensed interim consolidated financial statements, which describes the partial fire that broke out in one of the equipment rooms at the Ramses Central building on July 7, 2025. This incident resulted in partial damage to certain fixed assets and a temporary interruption of some telecommunication services in certain areas.

During 2025, the management of Telecom Egypt (the Parent Company) recognized capital losses amounting to of EGP 1 483 million and received EGP 200 million from the insurance company as an interim payment against the final compensation. As of the date of this report, official investigations are still ongoing, and the final report has not yet been issued; accordingly, the ultimate financial impact remains subject to the final results of these investigations.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, May 21, 2026

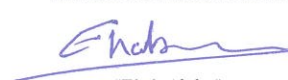


Telecom Egypt Company
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Financial Position as of:

	Note No.	31/3/2026 <u>L.E. (000)</u>	31/12/2025 <u>Reclassified L.E. (000)</u>
Assets			
Non Current Assets			
Fixed assets and projects under construction	(14)	120 312 696	119 828 621
Intangible assets (licenses and frequencies)		17 581 207	18 066 436
Usufruct assets	(15)	9 093 874	9 175 973
Right of use assets (lease contracts)	(16-1)	1 198 574	1 111 056
Investments in equity accounted investees	(17)	34 469 282	30 738 330
Financial assets at FVOCI		112 828	112 828
Debtors and other debit balances	(20)	93 248	85 273
Deferred tax assets	(28-3)	5 617 104	5 176 125
Non Current Assets		<u>188 478 813</u>	<u>184 294 642</u>
Current Assets			
Inventories	(18)	7 080 344	7 389 186
Trade and notes receivables	(19)	21 723 785	18 233 545
Debtors and other debit balances	(20)	7 517 795	7 794 388
Financial assets at amortized cost (treasury bills)		2 746 708	2 584 576
Cash and cash equivalents	(21)	10 077 268	8 312 470
Assets held for sale	(22)	3 289 269	2 449 845
Current Assets		<u>52 435 169</u>	<u>46 764 010</u>
Total Assets		<u>240 913 982</u>	<u>231 058 652</u>
Equity			
Capital	(26)	17 070 716	17 070 716
Reserves	(27)	6 675 300	6 386 678
Retained earnings		37 030 758	38 489 540
Foreign entities translation reserve		1 988 513	1 700 113
Equity attributable to shareholders of the company		<u>62 765 287</u>	<u>63 647 047</u>
Non - controlling interest		<u>29 977</u>	<u>40 779</u>
Total Equity		<u>62 795 264</u>	<u>63 687 826</u>
Non Current Liabilities			
Loans and credit facilities	(23)	35 027 572	35 325 509
Creditors and other credit balances	(24)	32 572 426	32 120 540
Lease obligations	(16-2)	782 063	731 962
Deferred tax liabilities	(28-3)	6 765 314	7 046 114
Non Current Liabilities		<u>75 147 375</u>	<u>75 224 125</u>
Current Liabilities			
Short term Loans and credit facilities	(23)	41 085 984	38 433 287
Creditors and other credit balances	(24)	54 752 463	45 606 004
Lease obligations	(16-2)	700 954	615 555
Credit balances to associates	(32-1)	1 965 167	4 543 996
Accrued income tax	(28-5)	2 600 630	1 154 155
Provisions	(25)	1 866 145	1 793 704
Current Liabilities		<u>102 971 343</u>	<u>92 146 701</u>
Total Liabilities		<u>178 118 718</u>	<u>167 370 826</u>
Total Equity and Liabilities		<u>240 913 982</u>	<u>231 058 652</u>


The accompanying notes on pages (6) to (26) are an integral part of these Condensed Consolidated Interim Financial Statements.

Director of Financial Affairs



"Ehab Abdo "

Chief Financial Officer



" Wael Hanafy "

Managing Director &
Chief Executive Officer

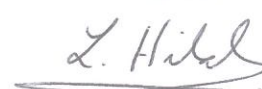


"Tamer Elmahdi"

Board of Directors approval

Chairman of The
Board of Directors

"Lobna Hilal"



Limited Review Report "attached"

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Profit or loss

	Note No.	For the three months ended:	
		31/3/2026	31/3/2025
		<u>L.E.(000)</u>	<u>Reclassified L.E.(000)</u>
<u>Continued Operations</u>			
Operating revenues	(3)	28 210 642	24 718 464
Operating costs	(4)	(16 015 081)	(14 269 444)
Gross Profit		12 195 561	10 449 020
Other incomes	(5)	381 476	194 152
Selling and distribution expenses	(6)	(1 598 705)	(1 466 166)
General and administrative expenses	(7)	(2 280 996)	(1 908 676)
Other expenses	(8)	(174 609)	(112 922)
Expected credit loss		95 512	(222 495)
Operating profit		8 618 239	6 932 913
Finance income		302 627	229 274
Finance cost		(8 060 600)	(4 251 849)
Net finance cost	(9)	(7 757 973)	(4 022 575)
Share of profit of equity accounted investees after tax	(10)	3 730 952	3 187 196
Net profit for the period before income tax		4 591 218	6 097 534
Income tax	(28-1)	(1 084 327)	(1 490 313)
Net profit for the period from continued operations		3 506 891	4 607 221
<u>Discontinued Operations</u>			
Net profit for the period after income tax from discontinued operations	(11-1)	69 023	46 475
Net profit for the period		3 575 914	4 653 696
Attribute to:			
<u>Shareholders of the company</u>			
Net profit for the period from continued operations		3 502 994	4 599 266
Net profit for the period from discontinued operations		69 023	46 475
Net profit for the period for shareholders of the company		3 572 017	4 645 741
<u>Non-controlling interest</u>			
Net profit for the period from continued operations		3 897	7 955
Net profit for the period from discontinued operations		-	-
Net profit for the period for non-controlling interest		3 897	7 955
Net profit for the period		3 575 914	4 653 696
Basic and diluted earning per share for the period from continued operations (L.E. / Share)		2.05	2.69
Basic and diluted earning per share for the period from discontinued operations (L.E. / Share)		0.04	0.03
Basic and diluted earning per share for the period (L.E. / Share)	(13)	2.09	2.72

The accompanying notes on pages (6) to (26) are an integral part of these Condensed Consolidated Interim Financial Statements.

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

	Note	<u>For the three months ended :</u>	
		31/3/2026	31/3/2025
		<u>L.E.(000)</u>	<u>L.E.(000)</u>
Net profit for the period after income tax		3 575 914	4 653 696
<u>Other Comprehensive Income items :</u>			
Translation differences of foreign entities		288 571	32 553
Income Tax on Translation difference of foreign currency balances	(28-2)	-	-
Total Comprehensive Income		3 864 485	4 686 249
Attributable to :			
Shareholders of the company		3 860 588	4 678 294
Non-controlling interest		3 897	7 955
Total Comprehensive Income		3 864 485	4 686 249

The accompanying notes on pages (6) to (26) are an integral part of these Condensed Consolidated Interim Financial Statements.

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Consolidated Interim Statement of Changes in Equity
For The Three Months Ended March 31, 2026

	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, 2025	17 070 716	3 392 548	2 855 145	20 889 691	1 706 212	45 914 312	23 679	45 937 991
Comprehensive Income								
Net profit for the period	-	-	-	4 645 741	-	4 645 741	7 955	4 653 696
Translation differences of foreign entities	-	-	-	-	32 553	32 553	-	32 553
Total Comprehensive Income	-	-	-	4 645 741	32 553	4 678 294	7 955	4 686 249
Transferred to legal reserve	-	144 912	-	(144 912)	-	-	-	-
Transactions with shareholders								
Dividends for period 2024 (shareholders)	-	-	-	(2 560 607)	-	(2 560 607)	(5 614)	(2 566 221)
Dividends for period 2024 (Employees & Board of Directors)	-	-	-	(1 929 571)	-	(1 929 571)	(718)	(1 930 289)
Impact of merge effect of companies within the group	-	-	-	(35 308)	-	(35 308)	-	(35 308)
Total transactions with shareholders	-	-	-	(4 525 486)	-	(4 525 486)	(6 332)	(4 531 818)
Balance as of March 31, 2025	17 070 716	3 537 460	2 855 145	20 865 034	1 738 765	46 067 120	25 302	46 092 422
Balance as of January 1, 2026	17 070 716	3 537 460	2 849 218	38 489 540	1 700 113	63 647 047	40 779	63 687 826
Comprehensive Income								
Net profit for the period	-	-	-	3 572 017	-	3 572 017	3 897	3 575 914
Translation differences of foreign entities	-	-	-	-	288 400	288 400	-	288 400
Total Comprehensive Income	-	-	-	3 572 017	288 400	3 860 417	3 897	3 864 314
Transferred to legal reserve	-	288 622	-	(288 622)	-	-	-	-
Transactions with shareholders:								
Dividends for period 2025 (shareholders)	-	-	-	(2 560 607)	-	(2 560 607)	(12 205)	(2 572 812)
Dividends for period 2025 (Employees & Board of Directors)	-	-	-	(2 181 570)	-	(2 181 570)	(2 494)	(2 184 064)
Total transactions with shareholders	-	-	-	(4 742 177)	-	(4 742 177)	(14 699)	(4 756 876)
Balance as of March 31, 2026	17 070 716	3 826 082	2 849 218	37 030 758	1 988 513	62 765 287	29 977	62 795 264

The accompanying notes on page from (6) to (26) are an integral part of these Condensed Consolidated Interim Financial Statements.

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

	Note No.	For the three months ended:	
		31/3/2026	31/3/2025
		L.E. (000)	L.E. (000)
<u>Cash flows from operating activities:-</u>			
Cash receipts from customers and notes receivables		30 710 271	24 235 367
Stamp tax and fees collected (from third parties)		-	15 505
Deposits collected from customers		-	24 112
Cash paid to suppliers		(7 717 456)	(5 997 104)
Cash paid for NTRA		(728 471)	(254 680)
Cash paid to Board of Directors	(32-3)	(45 142)	(20 148)
Cash paid to employees		(4 685 395)	(4 402 960)
Cash paid on behalf of employees to third party		(508 893)	(493 945)
Payments to Tax Authority - taxes other than income tax		(1 379 152)	(1 892 041)
Other payments		(100 856)	(177 340)
Cash provided by operating activities		15 544 906	11 036 766
Interest paid		(2 467 668)	(3 202 758)
Payments to Tax Authority - income tax		(71 132)	(140 054)
Net cash provided by operating activities		13 005 506	7 693 954
<u>Cash flows from investing activities:-</u>			
Payments for purchase of fixed assets and projects under construction		(8 364 642)	(6 213 131)
Payments for purchase of intangible assets		(417 609)	(593 088)
Proceeds from sale of fixed assets and intangible assets		87	491
Credit interest		78 974	69 919
Dividends collected from investments		47 985	-
Proceeds from financial assets at amortized cost - treasury bills income		17 041	104 153
Net cash used in investing activities		(8 638 164)	(6 631 656)
<u>Cash flows from financing activities:-</u>			
Payments for loans		(3 248 451)	(2 095 470)
Proceeds from loans		-	11 032 200
Net proceeds / (payments) for credit facilities		575 272	(5 324 690)
Payments of lease obligations	(16-2)	(145 193)	(128 337)
Net cash (used in) provided by financing activities		(2 818 372)	3 483 703
Net change in cash and cash equivalents during the period		1 548 970	4 546 001
Translation differences of foreign entities		95 859	2 458
Cash and cash equivalents at the beginning of the period	(21)	7 684 542	7 565 330
Cash and cash equivalents at the end of the period	(21)	9 329 371	12 113 789

The accompanying notes on pages from (6) to (26) are an integral part of these Condensed Consolidated Interim Financial statements.

Telecom Egypt Company
(An Egyptian Joint Stock Company)

Notes to the Condensed Consolidated Interim Financial Statements
For The Three Months Ended March 31, 2026

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 address of the company is 26 Ramses Street, Cairo, Egypt.
- 70% is owned by 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 Condensed Consolidated Interim Financial Statements

These Condensed Consolidated Interim Financial Statements were approved by the company's Board of Directors for issuance on May 20, 2026.

2. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance

-These Condensed consolidated Interim Financial Statements as of March 31, 2026 have been prepared according to Egyptian Accounting Standard No.30 requirements "Interim Financial Reporting" and in the light of applicable laws and regulations accordingly it was prepared as a condensed consolidated Interim Financial Statements comparative view to the annual consolidated financial statements for the company for the financial year ended December 31, 2025 and this statements must be read with the financial statements for the company on the financial year in December 31, 2025.

-These Condensed consolidated Interim Financial Statements don't include all the required information needed for preparing the full annual financial statements according to Egyptian Accounting Standard however It may include selected disclosures to explain important events and transactions to understand the change in the company's financial position and performance since the last annual financial statements.

2-2 Basis of measurement

- These Condensed Consolidated Interim Financial Statements have been prepared according to the historical cost basis, except for:

- (A) Financial instruments that are recorded at fair value through profit or loss.
 - (B) Financial instruments that are recorded at fair value through other comprehensive income.
 - (C) Financial instruments that are recorded at amortized cost.
- For presentational purposes, the current and non-current classification has been used for the condensed consolidated interim statement of Financial Position, while expenses are analysed in condensed consolidated statement of profit or loss using a classification based on their function. The direct method has been used in preparing the condensed consolidated interim statement of cash flows.
- The financial statements have been prepared on a going concern basis.

2-3 Functional and presentation currency

These Condensed Consolidated Interim Financial Statements are presented in Egyptian pound (L.E.), all financial information presented in "L.E." has been rounded to the nearest thousand unless otherwise stated.

2-4 Use of estimates and judgments

The preparation of the Condensed Consolidated Interim 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 assumptions 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.

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 condensed consolidated interim financial statements is included in the following notes:

- Impairment of non-financial assets.
- Deferred tax assets and liabilities.
- Measuring Expected credit losses.
- Provisions and contingencies.
- Operational useful life of fixed and other assets.
- Estimate the net realizable value of the inventory.

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 condensed consolidated interim financial statements without deducting any estimated future selling costs. The financial assets values are determined by the current purchase prices; however, the financial liabilities values are determined by 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 flow 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 group is managed by operating segments at the group activates level as an 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 activities

2-7 Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements as of March 31, 2026 are the same as the accounting policies applied in the preparation of the annual consolidated financial statements as of December 31, 2025.and approved in February 26, 2026 These policies have been followed over all periods presented in these condensed consolidated interim financial statements as of March 31, 2026.

3- OPERATING REVENUES

3-1 By business units

	For the three months ended:	
	31/3/2026	31/3/2025
	L.E. (000)	Reclassified L.E. (000)
Home and personal communications	14 394 658	11 856 985
Enterprise	2 750 284	2 372 492
Domestic wholesale	3 150 525	2 700 062
International carrier	5 514 385	4 449 097
International cables and networks	2 400 790	3 339 828
	28 210 642	24 718 464

3-2 By timing of recognition

	For the three months ended:	
	31/3/2026	31/3/2025
	L.E. (000)	L.E. (000)
Goods and services transferred over time	17 586 561	14 848 559
Goods and services transferred at a point in time	10 624 081	9 869 905
	28 210 642	24 718 464

3-3 By geographical location

	For the three months ended:	
	31/3/2026	31/3/2025
	L.E. (000)	Reclassified L.E. (000)
Local - within Egypt	20 295 467	16 929 539
Foreign - outside Egypt	7 915 175	7 788 925
	28 210 642	24 718 464

3-4 Contract balances

	31/3/2026	31/12/2025
	L.E. (000)	L.E. (000)
Trade receivables	21 390 436	17 911 716
Notes receivable	333 349	321 829
Total contract receivables	21 723 785	18 233 545
Advances from customers	2 099 501	2 019 724
Contract liabilities deferred income	12 174 331	6 724 899
Total contract liabilities	14 273 832	8 744 623
Contract Balances	7 449 953	9 488 922

Total operating revenues increased by an amount of L.E. 3 492 178 K mainly due to the increase in revenues of home and personal communications by an amount of L.E. 2 537 673 K due to the increase in revenues resulting from fixed line and rendering mobile phone services and internet services, international carrier by an amount of L.E. 1 065 288 K, Domestic wholesale revenues by an amount of L.E. 450 463 K and Enterprise revenues by an amount of L.E. 377 792 K, however the decrease in international cables and networks revenues by an amount of L.E. 939 038 K, led to the limitation of this increase.

* Reclassification was made to comparative figure as shown in note No.35

4- OPERATING COSTS

	For the three months ended :	
	31/3/2026	31/3/2025
	<u>L.E. (000)</u>	<u>Reclassified</u>
		<u>L.E. (000)</u>
Call cost	4 380 341	3 745 709
Depreciation and amortization	4 222 574	3 656 634
Salaries and wages	1 886 481	1 624 775
Company's social insurance contribution	156 147	140 899
Organizations services cost	1 429 945	1 296 483
Right of use (IRU) outside Egypt - leased circuits	424 360	363 597
Cost of merchandise available for sale	535 775	703 113
Fuel	352 294	365 374
Maintenance	322 814	293 278
Frequencies and licenses charges (NTRA)	1 489 183	1 243 169
Other operating cost	815 167	836 413
	<u>16 015 081</u>	<u>14 269 444</u>

Operating costs have increased by an amount of L.E. 1 745 637 K mainly due to the following: -

- The increase in Call cost by an amount of L.E. 634 632 K which is mainly due to the increase in cost of international connection fees by an amount of L.E. 462 004 K.
- The increase of the depreciation and amortization item by an amount of L.E 565 940 K due to the additions of the first quarter and the current period.
- The increase in Salaries and wages item by an amount of L.E. 261 706 K because of the annual increases during the period.
- The increase in frequencies and licenses charges (National Telecom Regulatory Authority) by an amount of L.E. 246 014 K and organizations services cost item by an amount of L.E. 133 462 K.

* Reclassification was made to comparative figure as shown in note No.35

5- OTHER INCOMES

	For the three months ended :	
	31/3/2026	31/3/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Fines and earned delay interest	30 494	10 006
Sundry revenues	350 982	184 146
	<u>381 476</u>	<u>194 152</u>

The increase in other incomes by an amount of L.E 187 324 K is mainly due to the increase in sundry revenues item by an amount of L.E 144 629 K

6- SELLING AND DISTRIBUTING EXPENSES

	For the three months ended :	
	31/3/2026	31/3/2025
	L.E. (000)	L.E. (000)
Salaries and wages	813 481	705 196
Company's social insurance contribution	62 196	58 143
Advertising and marketing	324 747	371 396
Agents commissions and collection contracts	279 642	252 036
Depreciation and amortization	23 478	25 319
Other selling and distributing expenses	95 161	54 076
	1 598 705	1 466 166

The increase in selling and distribution expenses by an amount of L.E 132 539 K is mainly due to the increase in Salaries and wages item by an amount of L.E 108 285 K which is mainly due to the annual increases during the period and agents' commissions and collection organizations by an amount of L.E. 27 606 K, however the decrease in advertising and marketing by an amount of L.E 46 649 K led to the limitation of this increase.

7- GENERAL AND ADMINISTRATIVE EXPENSES

	Note No	For the three months ended :	
		31/3/2026	31/3/2025
		L.E. (000)	Reclassified L.E. (000)
Salaries and wages		1 432 983	1 151 945
Company's social insurance contribution		92 289	81 304
The company's contribution in loyalty and belonging fund	(12)	62 500	65 000
Depreciation and amortization		59 862	46 612
Organization services cost and consultants		298 281	142 035
Tax and duties		46 047	54 886
Other general and administration expenses		289 034	366 894
		2 280 996	1 908 676

The increase in general and administrative expenses by an amount of L.E. 372 320 K is mainly due to the increase in Salaries and wages item by an amount of L.E 281 038 K mainly due to the annual increases during the period and organization's services costs and consultants item by an amount of L.E. 156 246 K.

* Reclassification was made to comparative figure as shown in note No.35

8- OTHER EXPENSES

	For the three months ended :	
	31/3/2026	31/3/2025
	L.E. (000)	L.E. (000)
Provisions	76 948	54 986
Capital losses	5 636	1 984
Donations	92 025	55 952
	174 609	112 922

The increase in other expenses by an amount of L.E. 61 687 K is mainly due to the increase in Donations item by an amount of L.E 36 073 K and Provisions item by an amount of L.E. 21 962 K.

9- NET FINANCE COST

The increase in net finance costs by an amount of L.E 3 735 398 K during the period is mainly due to the increase of net loss of foreign currencies during the period by an amount of L.E. 4 675 611 K due to the exchange rate fluctuations during March 2026 the decrease in the debit interest by an amount of L.E. 862 835 K led to the limitation of this increase

10- SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEEES

	<u>For the three months ended :</u>	
	<u>31/3/2026</u>	<u>31/3/2025</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Vodafone Egypt telecommunications company	3 722 856	3 171 179
Egypt trust	8 096	10 657
New matrix for technology	-	5 360
	<u>3 730 952</u>	<u>3 187 196</u>

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

11- DISCONTINUED OPERATIONS

On September 3, 2025, the Company's Board of Directors decided to partially dispose of its Regional Data Center (RDH) by transferring the relevant assets to a subsidiary of the Data Center (RDH) as part of the group's restructuring, to achieve this purpose the condensed consolidated interim statement of profit or loss has been restated to present discontinued operations separately as follows:-

11-1 Results of discontinued operations

	<u>For the three months ended:</u>	
	<u>31/3/2026</u>	<u>31/3/2025</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Revenues	99 688	79 513
Expenses	(10 367)	(19 346)
General and administrative expenses	(259)	(199)
Net profit for the period before income tax from discontinued operations	89 062	59 968
Income tax	(20 039)	(13 493)
Net profit for the period after income tax from discontinued operations	<u>69 023</u>	<u>46 475</u>

11-2 Cash flows from discontinued operations

	<u>For the three months ended:</u>	
	<u>31/3/2026</u>	<u>31/3/2025</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Net cash provided by operating activities	31 967	71 409
Net cash used in investing activities	(516 690)	(116 418)
Cash and cash equivalents at the end of the period	<u>(484 723)</u>	<u>(45 009)</u>

12- EMPLOYEES' BENEFITS (Parent company)

End of service benefits (Company's Contribution in Loyalty & Belonging Fund)

- The employees are granted an end of service benefits through a Loyalty & belonging Fund established in January 2004 which is based on the employees' basic monthly salary in the company.
- 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 by a decision of the Board of Directors and the company had contributed by an amount of L.E. 62.5 M for the period ended in March 31, 2026 (against an amount of L.E.65 M for the same period of 2025) Note No.7.

13- BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD:

- The earning per share for the period are calculated as follows:

	<u>For the three months ended:</u>	
	<u>31/3/2026</u>	<u>31/3/2025</u>
<u>Share holder of the company :</u>		
Net profit for the period from continued operations (LE in thousand)	3 502 994	4 599 266
Net profit for the period from discontinued operations (LE in thousand)	69 023	46 475
Net profit for the period (LE in thousand)	<u>3 572 017</u>	<u>4 645 741</u>
Weighted average for number of shares available during the period (share)	1 707 071 600	1 707 071 600
Basic and diluted earning per share for the period from continued operations (L.E / Share)	2.05	2.69
Basic and diluted earning per share for the period from discontinued operations (L.E / Share)	0.04	0.03
Basic and diluted earning per share for the period (L.E / Share)	<u>2.09</u>	<u>2.72</u>

14- FIXED ASSETS AND PROJECTS UNDER CONSTRUCTION

Description	31/3/2026	31/3/2025	31/3/2026	31/3/2025	31/3/2026	31/3/2025	31/12/2025
	Cost	Cost	Accumulated depreciation and impairment	Accumulated depreciation and impairment	Net	Net	Net
	<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>	<u>L.E.(000)</u>
Land	2 411 390	2 410 526	-	-	2 411 390	2 410 526	2 409 900
Buildings & Infrastructure	79 919 390	66 650 944	30 489 868	27 261 905	49 429 522	39 389 039	48 894 074
Centrals & information technologies equipment	84 743 615	71 393 315	40 788 646	33 590 950	43 954 969	37 802 365	42 776 078
Vehicles	660 416	409 491	239 950	195 040	420 466	214 451	433 047
Furniture	1 662 244	1 632 577	1 166 819	1 070 308	495 425	562 269	485 135
Tools & supplies	371 195	337 938	243 904	223 417	127 291	114 521	131 849
Decoration & fixtures	289 061	277 226	237 902	221 590	51 159	55 636	49 031
Projects under construction	23 650 134	22 556 123	227 660	-	23 422 474	22 556 123	24 649 507
Total	193 707 445	165 668 140	73 394 749	62 563 210	120 312 696	103 104 930	119 828 621

- The increase in net carrying value of fixed assets and projects under construction mainly due to the additions during the period by an amount of L.E. 9 131 684 K, however the depreciation of the period by an amount of L.E. 3 594 442 K led to limitation of this increase.
- The cost of fixed assets as of March 31, 2026, includes an amount of L.E. 20 871 million fully depreciated fixed assets and still in use. (Against an amount of L.E. 17 351 million for the same period of 2025).

15- USUFRUCT ASSETS

	31/3/2026	31/12/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Cost		
Usufruct (projects)	3 172 397	3 158 479
Submarine cables (rights of way)	5 075 040	5 011 963
Land (possession-usufruct)	624 974	624 974
Licenses and programs	1 647	1 647
International circuits (right of use)	846 302	832 697
Projects under construction	2 451 910	2 451 273
	12 172 270	12 081 033
Less:		
Accumulated amortization	3 078 396	2 905 060
Net carrying amount of usufruct assets	<u>9 093 874</u>	<u>9 175 973</u>

- The decrease in net carrying value of usufruct assets by an amount of L.E 82 099 K mainly due to the amortization of the period by an amount of L.E 106 586 K.
- Usufruct assets cost includes at March 31, 2026 an amount of L.E 370 Million (against an amount of L.E. 456 Million for the same period of 2025) usufruct assets fully amortized and still in use in operating.

16- RIGHT OF USE ASSETS AND LIABILITIES (LEASE CONTRACTS)

16-1 Right of use assets (lease contracts)

	31/3/2026	31/12/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Cost at beginning balance	3 201 698	2 992 107
Additions during the period / year	189 135	263 828
Disposals during the period / year	-	(79 240)
Translation differences of Foreign entities	79 482	25 003
Cost at ending balance	<u>3 470 315</u>	<u>3 201 698</u>
Accumulated amortization at beginning balance	2 090 642	1 657 404
Amortization for the period / year	119 574	445 007
Disposals during the period / year	-	(26 782)
Foreign entities translation differences	61 525	15 013
Accumulated amortization at ending balance	<u>2 271 741</u>	<u>2 090 642</u>
Net carrying amount for right of use assets	<u>1 198 574</u>	<u>1 111 056</u>

16-2 Lease Obligations

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

	31/3/2026	31/12/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Beginning balance of Present value for lease Obligations	1 347 517	1 589 571
Additions	189 135	263 828
Disposals	-	(54 504)
Payments	(145 193)	(672 514)
Translation difference of foreign currency balances	18 883	(17 720)
Interest	53 998	219 914
Translation differences of Foreign entities	18 677	18 942
Net present value for lease obligations resulting from lease contracts	<u>1 483 017</u>	<u>1 347 517</u>

Classified as:

Current Lease obligations	<u>700 954</u>	<u>615 555</u>
Non Current Lease obligations	<u>782 063</u>	<u>731 962</u>

17- INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	<u>31/3/2026</u>		<u>31/12/2025</u>	
	<u>Ownership</u>	<u>Amount</u>	<u>Ownership</u>	<u>Amount</u>
	<u>%</u>	<u>L.E. (000)</u>	<u>%</u>	<u>L.E. (000)</u>
- Vodafone Egypt Telecommunication company *	44.95	34 385 268	44.95	30 662 412
- Egypt Trust	35.71	70 536	35.71	62 440
- New matrix for technology	25.50	13 478	25.50	13 478
		<u>34 469 282</u>		<u>30 738 330</u>

- Shares of investments in equity accounted investees are accounted for using the equity method, so that the initial recognition is made at cost, including the costs associated with the acquisition, and the subsequent measurement in the consolidated financial statements is made by increasing or decreasing the book value of the investment by the group's share of profits or losses and other comprehensive income items in the investee company.

* The investments in Vodafone Egypt on March 31, 2026, 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 of each year and the equity method was applied in recognizing the investment in Vodafone Egypt during preparing the Condensed Consolidated Interim Financial Statements as of March 31, 2026 by using the consolidated financial statements of Vodafone Egypt for the financial year ended in March 31, 2026 which presents the 12 months from the 1st of April 2025 till March 31, 2026, deduct the movements of the period from April 1, 2025 till December 31, 2025 from the consolidated interim financial data of Vodafone Egypt as of December 31, 2025, to determine the share of financial period from January 1 to March 31, 2026 of business results of the associate company.

18- INVENTORIES

	<u>31/3/2026</u>	<u>31/12/2025</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Spare parts	1 781 659	1 828 672
Material supplies, Merchandise for sale	5 283 017	5 542 229
Others	15 668	18 285
	<u>7 080 344</u>	<u>7 389 186</u>

The value of inventories was written down by L.E. 155 800 K (against LE 155 800 K as at December 31, 2025) for obsolete and slow-moving items directly from the cost of each type of related inventory related to.

19- TRADE AND NOTES RECEIVABLES

	31/3/2026	31/12/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Trade Receivables - National	10 077 355	8 624 934
Trade Receivables - International	15 259 764	13 329 626
	25 337 119	21 954 560
Less:		
Expected credit loss	3 946 683	4 042 844
Add:		
Notes receivables	333 349	321 829
	21 723 785	18 233 545

Trade and notes receivable balance have increased by an amount of L.E. 3 490 240 K is mainly due to the increase in trade receivables – International cables and networks by an amount of L.E. 1 092 305 K, trade receivables domestic wholesale by an amount of L.E. 983 667 K, trade receivables – International Carrier by an amount of L.E. 837 833 K, trade receivables – Enterprise by an amount of L.E. 405 952 K and trade receivables – Home and personal communications by an amount of L.E. 62 802 K.

20- DEBTORS AND OTHER DEBIT BALANCES

	31/3/2026	31/12/2025
	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Suppliers – advanced payments	1 625 522	886 031
Deposits with other	369 208	364 114
Accrued revenues	613 365	560 228
Tax Authority - value added tax	140 392	915 915
Due from ministries, organizations and companies	2 269 914	1 938 423
Temporary debts due from employees	617 781	1 640 340
Prepaid expenses	204 067	187 787
Other debit balances	2 122 962	1 738 342
	7 963 211	8 231 180
Less:		
Expected Credit loss	(352 168)	(351 519)
	7 611 043	7 879 661
Balances due within more than one year:		
Prepaid expenses	93 248	85 273
Non current debtors and other debit balances	93 248	85 273
Current debtors and other debit balances	7 517 795	7 794 388
Total debtors and other debit balances	7 611 043	7 879 661

Debtors and other debit balances have decreased by an amount of L.E. 268 618 K mainly due to the decrease in Temporary debts from employees item by an amount of L.E. 1 022 559 K Due to employee dividends for the year 2025 and Tax Authority – value added tax item by an amount of L.E. 775 523 K, however the increase in suppliers-advanced payments item by an amount of L.E. 739 491 K and due from ministries, organizations and companies item by an amount of L.E. 331 491 K led to the limitation of this decrease.

21- CASH AND CASH EQUIVALENTS

	Note	31/3/2026	31/12/2025	31/3/2025
	No.	L.E. (000)	L.E. (000)	L.E. (000)
Banks - time deposits (less than 3 months)		2 480 834	2 621 288	4 828 350
Banks - current accounts		7 447 787	5 001 144	5 571 822
Cash on hand		16 973	3 691	53 967
Financial assets at amortized cost - Treasury bills (less than 3 months)		-	515 174	2 220 138
Money market funds (less than 3 months)		131 674	171 173	161 609
Cash and cash equivalents		10 077 268	8 312 470	12 835 886
Less:				
Restricted time deposits and current accounts at banks	(30)	747 897	627 928	722 097
Cash and cash equivalents as per statement of cash flows		9 329 371	7 684 542	12 113 789

22- ASSETS HELD FOR SALE

	31/3/2026	31/12/2025
	L.E. (000)	L.E. (000)
Net carrying amount of fixed assets and projects under construction	3 289 269	2 449 845

On September,3 2025, the company's Board of Directors decided to partially dispose of its Regional Data Center (RDH) by transferring the relevant assets to the data center subsidiary (RDH) as part of the group's restructuring Accordingly, this part of assets is presented as assets held for sale.

23- LOANS AND CREDIT FACILITIES

-The increase in the balance of loans and credit facilities by an amount of L.E 2 354 760 K mainly resulted from fluctuations in foreign currency during March 2026 where loans and credit facilities with local and foreign currencies on March 31, 2026 amounted to L.E. 76 113 556 K (against LE 73 758 796 K at December 31, 2025) with an amount of L.E. 41 085 984 K due within a year.

24- CREDITORS AND OTHER CREDIT BALANCES

	31/3/2026	31/12/2025
	L.E. (000)	L.E. (000)
Suppliers and notes payables	10 569 163	11 481 486
Tax Authority (taxes other than income tax)	1 898 560	763 401
Deposits held for others	1 289 785	1 259 690
Assets creditors	34 406 108	35 349 198
Dividends creditors	2 573 826	4 332
Accrued expenses	2 379 159	2 737 443
Social insurance authority	179 512	153 558
Trade receivables - credit balances	2 099 501	2 019 724
Credit balances organizations and companies	1 341 948	1 012 094
Contract liabilities	21 585 195	15 814 665
National Telecommunication Regulatory Authority (NTRA)	6 485 773	5 332 553
Other credit balances	2 516 359	1 798 400
	87 324 889	77 726 544
<u>balances due within more than one year:</u>		
Assets creditors	22 871 477	22 768 788
Contract liabilities	9 700 949	9 351 752
Non current creditors and other credit balances	32 572 426	32 120 540
Current creditors and other credit balances	54 752 463	45 606 004
Total creditors and other credit balances	87 324 889	77 726 544

Creditors and other credit balances have increased by an amount of L.E 9 598 345 K mainly due to the increase in Contract Liabilities by an amount of L.E. 5 770 530 K, Tax Authority (taxes other than income tax) by an amount of L.E 1 135 159 K, Dividends creditors item by an amount of L.E. 2 569 494 K and National Telecommunication regulatory authority (NTRA) by an amount of L.E. 1 153 220 K, however the decrease of Suppliers and notes payables by an amount of L.E. 912 323 K, Assets creditors by an amount of L.E. 943 090 K and accrued expenses by an amount of L.E 358 284 K led to limitation of this increase.

25- PROVISIONS

	31/3/2026	31/12/2025
	L.E.(000)	L.E.(000)
Balance at the beginning of the period / year	1 793 704	1 310 573
Charged to statement of income for the period / year	76 948	656 964
Provision used during the period / year	(4 727)	(173 788)
Translation differences	220	(45)
Balance at the end of the period / year	1 866 145	1 793 704

26- 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.

27- RESERVES

	31/3/2026	31/12/2025
	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Legal reserve*	3 826 082	3 537 460
Other reserves	2 849 218	2 849 218
	<u>6 675 300</u>	<u>6 386 678</u>

* The balance of legal reserve has increased as a result of retaining an amount of L.E. 288 622 K from the profit of 2025 in accordance with the company's articles of association.

28- INCOME TAX

28-1 Items recognized in statement of profit or loss

	For the three months ended:	
	31/3/2026	31/3/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Current income tax	(2 109 699)	(1 125 016)
Deferred tax	1 005 333	(378 790)
	<u>(1 104 366)</u>	<u>(1 503 806)</u>
As follow :-		
Income tax from continued operations	(1 084 327)	(1 490 313)
Current income tax from discontinued operations	(20 039)	(13 493)
	<u>(1 104 366)</u>	<u>(1 503 806)</u>

28-2 Items recognized in Statement of Comprehensive Income

	For the three months ended :	
	31/3/2026	31/3/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Income tax expense	283 554	-
Deferred tax expense	(283 554)	-
	<u>-</u>	<u>-</u>

28-3 Recognized deferred tax assets and liabilities.

	31/3/2026		31/12/2025	
	Assets	(Liabilities)	Assets	(Liabilities)
	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Total deferred tax asset / (liability)	5 617 104	(6 765 314)	5 176 125	(7 046 114)
Net deferred tax asset / (liability)	-	(1 148 210)	-	(1 869 989)
Deferred tax in the consolidated income statement for the period\ year	721 779	-	-	(4 848 471)
Impact of Deferred tax charged to statement of profit or loss	1 005 333	-	-	(3 481 105)
Impact of deferred tax charged to statement of comprehensive income	-	(283 554)	-	(1 367 366)

28-4 Unrecognized deferred tax assets

	31/3/2026	31/12/2025
	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Unrecognized deferred tax assets	<u>1 057 221</u>	<u>1 082 886</u>

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

28-5 Current income tax

	31/3/2026	31/12/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Tax Authority- income tax	(4 278 296)	(3 153 729)
Less :		
Tax Authority- advanced payments	1 600 504	1 919 867
Tax Authority- adjustments on previous years	22 018	22 555
Tax Authority- debit balance	-	2 669
Tax Authority- withholding tax	55 144	54 483
	<u>(2 600 630)</u>	<u>(1 154 155)</u>

Represented in the balance due from/to the Egyptian Tax Authority for income taxes on the profits of corporate companies.

29- CAPITAL COMMITMENTS

The company's capital commitments for the unexecuted parts of contracts until March 31, 2026, amounted to L.E. 2 618 million (against L.E. 4 112 Million at the financial year ended December 31, 2025).

30- CONTINGENT LIABILITIES

In addition to the amounts included in the condensed consolidated interim statement of financial position, the company has the following contingent liabilities as at March 31, 2026:

	31/3/2026	31/12/2025
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
- Letters of guarantee issued by banks on behalf of the company*	3 944 126	3 900 101

*Letters of guarantee which were issued by banks on behalf of the company and for others on March 31,2026 including letters of guarantee issued in exchange for cash cover (restricted cash and equivalent) (Note No.21)

31- TAX POSITION (Telecom Egypt)

31-1 Corporate tax

- Tax inspection was performed for the years till December 31, 2018 and all due taxes and fines were settled for those years and Fines according to law No. 153 of 2022 were settled to avoid the fine which accrued for those years
- Tax inspection was performed for the years from January 1, 2019 till December 31, 2023 and all due taxes and fines were settled for those years and Fines are being settled.
- Tax inspection for year 2024 is performing.
- Tax inspection for year 2025 have not been done to date.
- Tax returns 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.

31- 2 Value Added Tax \ Sales Tax

- Tax inspection for the years till December 31, 2023 was performed and the tax differences were settled for those years except the additional tax for the years from 2018 till 2023.
- Tax inspection for year 2024/2025 have not been done to date.
- 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.

31- 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 were settled.
- Tax inspection for the year 2015 till 2022 has been performed and all due taxes were settled and Fines are being settled.
- Years from 2023 till 2025, 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.

31- 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.
- Stamp duty development was inspected for year 2020/2021 and the inspection didn't reveal any due differences.
- Tax inspection for years 2022 till 2025 have not been done to date.

31- 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.

32- RELATED PARTY TRANSACTIONS IS REPRESENTED IN

32-1 Transactions between the group and its associates.

The related transactions during the period and balances on the condensed consolidated interim financial statements date are stated as follows:-

	Nature of transactions during the period <u>LE 000</u>	Transactions volume		Movement during the period	Balance as of		
		during the period stated in the statement of profit or loss <u>LE 000</u>	Debit <u>LE 000</u>		Credit <u>LE 000</u>	31/3/2026	
						Debit (Credit) <u>LE 000</u>	
					31/12/2025		
					Debit (Credit) <u>LE 000</u>		
- Vodafone Egypt Telecommunications Company							
	Outgoing calls and voice services to the associate company	1 912 979					
			10 165 975	7 587 146	(1 965 167)	(4 543 996)	
	Incoming and international calls, transmission & lease of company premises and towers to the associates company	2 694 030					
			<u>10 165 975</u>	<u>7 587 146</u>	<u>(1 965 167)</u>	<u>(4 543 996)</u>	

Credit balances due to associates

32-2 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.

32-3 Transactions with the Board of directors

The Company's ordinary general assembly decided to approve the disbursement of an amount of L.E 45 142 K to the members of the board of directors as a reward for the fiscal year ended in December 31, 2025, in addition to attending board sessions allowances stipulated in the ordinary general assembly of the company (against L.E. 20 148 K at the year ended December 31, 2025).

33. GROUP ENTITIES

- Subsidiaries companies are controlled by group companies.
- The group companies control the invested entities when affected by or entitled to variable interest, through participating and influencing the interest due to authority on invested entity.
- The condensed consolidated interim financial statement includes the subsidiary companies that it hold, from the date of acquisition till end date.
- Company's direct and indirect share in subsidiaries companies on March 31, 2026 which were included in the condensed consolidated interim financial statements is as follows:

<u>Company name</u>	<u>Country of incorporation</u>	<u>Ownership interest</u>	
		<u>31/3/2026</u>	<u>31/12/2025</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	UAE	100.00 %	100.00 %
AL-MASRIAH for IT Systems Company	KSA	100.00 %	100.00 %
Centra Technologies*	Egypt	100.00 %	100.00 %
Centra for electronic Industries*	Egypt	100.00 %	100.00 %
Telecom Egypt Globe	Singapore	100.00 %	100.00 %
Middle East and North Africa Submarine Cable Company (MENA CABLE)*	Egypt	100.00 %	100.00 %
Mena Company For Submarine Cable Company (MENA CABLE ITALY)	Italy	100.00 %	100.00 %
TES for sport investment	Egypt	100.00 %	100.00 %
TE INFRACO LIMITED	UAE	100.00 %	100.00 %
WE HOST	UAE	100.00 %	100.00 %
RDH	Egypt	100.00 %	100.00 %
Middle East Radio Communication (MERC)	Egypt	51.00 %	51.00 %

* According to the decisions of the extraordinary general assembly meetings of the companies referred to above, Centra for electronic industries, the merged company, will be merged into Centra Technologies Company, the merging company, and legal measures are being taken regarding the implementation of this merger.

34 - 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 period ended 3/31/2026						
Description	Communications, marine cables and infrastructure	Internet	Outsourcing	All other	Total	discontinued operations
	<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>
Operating revenues	14 598 674	12 398 709	781 882	431 377	28 210 642	99 688
Operating costs	(9 050 646)	(6 085 521)	(513 641)	(365 273)	(16 015 081)	(10 367)
Gross profit	5 548 028	6 313 188	268 241	66 104	12 195 561	89 321
Credit interest	266 597	7 973	10 387	12 277	297 234	-
Debit interest and Finance cost	(2 717 624)	(4 086)	(11 864)	(504)	(2 734 078)	-
Depreciation and amortization	(2 786 009)	(1 434 851)	(80 228)	(4 826)	(4 305 914)	-
The company's share of profit in associates companies	3 730 952	-	-	-	3 730 952	-
Non cash items						
ECL loss on financial assets	159 214	(49 657)	(14 435)	390	95 512	-
Provisions	(76 906)	-	(42)	-	(76 948)	-
Total assets	222 851 184	4 589 750	2 898 729	4 957 215	235 296 878	-
Total liabilities	157 809 954	12 994 370	1 138 047	559 243	172 501 614	-
For the period ended 3/31/2025						
Description	Communications, marine cables and infrastructure	Internet	Outsourcing	All other	Total	discontinued operations
	<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>
Operating revenues	13 320 607	10 286 690	767 417	343 750	24 718 464	79 513
Operating costs	(8 614 588)	(4 778 924)	(570 828)	(305 104)	(14 269 444)	(19 346)
Gross profit	4 706 019	5 507 766	196 589	38 646	10 449 020	60 167
Credit interest	188 631	15 279	10 997	11 032	225 939	-
Debit interest and Finance cost	(3 357 250)	(4 181)	(17 829)	(288)	(3 379 548)	-
Depreciation and amortization	(2 597 537)	(1 050 255)	(76 387)	(4 386)	(3 728 565)	(7 324)
The company's share of profit in associates companies	3 181 836	-	-	5 360	3 187 196	-
Non cash items						
ECL loss on financial assets	(175 968)	(38 700)	(856)	(6 971)	(222 495)	-
Provisions	(9 975)	(45 000)	(11)	-	(54 986)	-
Total assets	193 854 814	3 808 354	3 356 291	3 912 891	204 932 350	-
Total liabilities	148 081 287	7 687 936	1 915 807	1 155 898	158 840 928	-

35- COMPARATIVE FIGUERS

- Reclassification was made to some of the comparative figures of the condensed consolidated interim statement of financial position and statements of profit or loss to conform to the current presentation of the condensed consolidated interim financial statements.

35-1 Effect on the condensed consolidated interim statement of financial position:

	<u>31/12/2025</u> <u>as previously</u> <u>reported</u> <u>Debit\ (Credit)</u> <u>LE(000)</u>	<u>Reclassification</u> <u>Debit\ (Credit)</u> <u>LE(000)</u>	<u>31/12/2025</u> <u>Reclassified</u> <u>Debit\ (Credit)</u> <u>LE(000)</u>
Deferred tax assets	-	5 176 125	5 176 125
Deferred tax liabilities	(1 869 989)	(5 176 125)	(7 046 114)

35-2 Effect on the separate Statement of profit or loss

	<u>31/3/2025</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>31/3/2025</u> <u>Reclassified</u> <u>debit / (credit)</u> <u>L.E.(000)</u>
Operating revenues	(24 797 977)	79 513	(24 718 464)
Operating costs	14 288 790	(19 346)	14 269 444
General and administrative expenses	1 908 875	(199)	1 908 676
Income tax	1 503 806	(13 493)	1 490 313
Net profit for the period from continued operations	(4 653 696)	46 475	(4 607 221)
Net profit for the period from discontinued operations	-	(46 475)	(46 475)

36- Significant events

Ramses Central Fire Accident

On July 7, 2025, a fire broke out in an equipment room of the company's Ramses Central building, The building is one of the main hubs of Egypt's telecommunications infrastructure, connecting several ground fiber optic cables to provide internet, landline, and mobile phone services locally and internationally.

The fire resulted in partial damage to a number of fixed assets on site, including part of the building, some equipment, and furniture. Which led to disruption of telecommunications services in some areas.

The cost of the disposed assets amounted to L.E. 2 343 107 K and the capital losses amounted to L.E. 1 483 568 K, and an amount of L.E. 200 million was received from the compensation account by the company Insurance and The claim procedures for the remaining compensation are being completed in accordance with the available insurance coverage, pending the completion of the investigations.