



Telecom Egypt Company
(An Egyptian Joint Stock Company)
Consolidated Financial Statements
For the Financial Year Ended December 31, 2025
& Auditor's Report

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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 and its subsidiaries "the Group" which comprise the consolidated statement of financial position as at December 31, 2025 and the related consolidated statements of profit or loss, 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 Group'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 and its subsidiaries "the Group" as of December 31, 2025, and of its consolidated financial performance and consolidated 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.

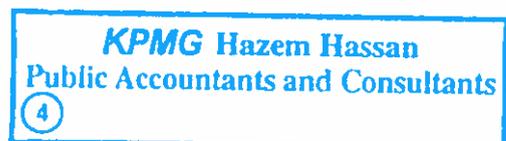
Emphasis of Matter

Without qualifying our opinion, we draw attention to the details disclosed in Note (43-1) to the 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.

The Group's Parent Company management has recognized capital losses of EGP 1.483 billion 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, February 26, 2026



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

<u>Assets</u>	<u>Note No.</u>	<u>31/12/2025</u> <u>L.E. (000)</u>	<u>31/12/2024</u> <u>Reclassified</u> <u>L.E. (000)</u>
Non current Assets			
Fixed assets and projects under construction	(16)	119 828 621	104 141 296
Intangible assets (licenses and frequencies)	(17)	18 066 436	19 565 446
Usufruct assets	(18)	9 175 973	8 028 589
Right of use assets (lease contracts)	(19-1)	1 111 056	1 334 703
Investments in Equity accounted investees	(20)	30 738 330	18 727 605
Financial assets at FVOCI	(21)	112 828	120 476
Debtors and other debit balances	(24)	85 273	107 262
Deferred tax assets	(33-3)	-	2 978 482
Non Current Assets		179 118 517	155 003 859
Current Assets			
Inventories	(22)	7 389 186	8 106 567
Trade and notes receivable	(23)	18 233 545	17 047 503
Current income tax	(33-6)	-	740 252
Debtors and other debit balances	(24)	7 794 388	8 775 367
Financial assets at amortized cost-treasury bills		2 584 576	-
Cash and cash equivalents	(25)	8 312 470	8 279 240
Assets held for sale	(26)	2 449 845	-
Current Assets		46 764 010	42 948 929
Total Assets		225 882 527	197 952 788
Equity			
Capital	(31)	17 070 716	17 070 716
Reserves	(32)	6 386 678	6 247 693
Retained earnings		38 489 540	20 889 691
Foreign entites translation difference reserve		1 700 113	1 706 212
Equity attributable to the shareholders of the company		63 647 047	45 914 312
Non - controlling interest	(39)	40 779	23 679
Total Equity		63 687 826	45 937 991
Non Current Liabilities			
Loans and credit facilities	(27)	35 325 509	38 411 459
Creditors and other credit balances	(28)	32 120 540	23 031 473
Lease obligations	(19-2)	731 962	1 086 449
Deferred tax liabilities	(33-3)	1 869 989	-
Non Current Liabilities		70 048 000	62 529 381
Current Liabilities			
Short term loans and credit facilities	(27)	38 433 287	43 064 514
Creditors and other credit balances	(28)	45 606 004	42 138 450
Lease obligations	(19-2)	615 555	503 122
Credit balances to associates	(37-1)	4 543 996	2 468 557
Accrued income tax	(33-6)	1 154 155	-
Provisions	(29)	1 793 704	1 310 573
Current Liabilities		92 146 701	89 485 416
Total liabilities		162 194 701	152 014 797
Total Equity and Liabilities		225 882 527	197 952 788

The attached notes on pages from (6) to (56) 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

"Tamer Elmahdi "

Board of Directors approval

Chair of The Board of Directors

" Lobna Hilal "

Auditor's Report "attached"

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

	Note	<u>For the financial year ended:</u>	
		<u>31/12/2025</u>	<u>31/12/2024</u>
		<u>L.E.(000)</u>	<u>L.E.(000)</u>
<u>Continued Operations</u>			
Operating revenues	(5)	106 672 946	81 677 812
Operating costs	(6)	(61 833 836)	(51 185 050)
Gross Profit		44 839 110	30 492 762
Other incomes	(7)	964 651	699 771
Selling and distribution expenses	(8)	(6 078 657)	(5 415 716)
General and administrative expenses	(9)	(8 641 814)	(7 419 745)
Other expenses	(10)	(2 314 623)	(556 146)
Expected credit loss		(726 311)	(444 399)
Operating profit		28 042 356	17 356 527
Finance income		1 793 895	590 274
Finance cost		(13 753 377)	(16 348 179)
Net finance cost	(11)	(11 959 482)	(15 757 905)
Share of profit of equity accounted investees after tax	(12-1)	14 828 173	8 662 526
Net profit for the year before income tax		30 911 047	10 261 148
Income tax	(33-1)	(8 569 486)	(383 333)
Net profit for the year from continued operations		22 341 561	9 877 815
<u>Discontinued Operations</u>			
Net profit for the year after income tax from discontinued operations	(13-1)	236 502	233 513
Net profit for the year		22 578 063	10 111 328
Attribute to:			
<u>Shareholders of the company</u>			
Net profit for the year from continued operations		22 318 130	9 864 627
Net profit for the year from discontinued operations		236 502	233 513
Net profit for the year for shareholders of the company		22 554 632	10 098 140
<u>Non-controlling interest</u>			
Net profit for the year from continued operations		23 431	13 188
Net profit for the year from discontinued operations		-	-
Net profit for the year for non-controlling interest		23 431	13 188
Net profit for the year		22 578 063	10 111 328
Basic and diluted earning per share for the year from continued operations (L.E. / Share)		11.79	4.65
Basic and diluted earning per share for the year from discontinued operations (L.E. / Share)		0.14	0.14
Basic and diluted earning per share for the year (L.E. / Share)	(15)	11.93	4.79

The attached notes on pages from (6) to (56) are an integral part of these Consolidated Financial Statements.

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

	Note	<u>For the financial year ended:</u>	
		<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>No.</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Net profit for the year		22 578 063	10 111 328
<u>Other Comprehensive Income items :</u>			
Translation differences of foreign entities		(6 099)	997 681
Net change in fair value of financial assets at FVOCI		(7 648)	37 034
Income tax on net change in fair value of financial assets at FVOCI	(33-2)	1 721	(8 332)
Equity accounted investees - net of tax share of OCI	(12-2)	-	(1 006 335)
Total other comprehensive income items		<u>(12 026)</u>	<u>20 048</u>
Translation differences of foreign currency balances		-	(13 427 722)
Income tax on translation differences of foreign currency balances	(33-2)	-	3 021 237
		<u>-</u>	<u>(10 406 485)</u>
Transferred to retained earnings during the year		<u>-</u>	<u>10 406 485</u>
Total Comprehensive Income		<u>22 566 037</u>	<u>10 131 376</u>
Attributable to :			
Shareholders of the company		22 542 606	10 118 188
Non-controlling interest		23 431	13 188
Total Comprehensive Income		<u>22 566 037</u>	<u>10 131 376</u>

The attached notes on pages from (6) to (56) are an integral part of these Consolidated Financial Statements.

Translation from Arabic

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Consolidated Statement of Changes in Equity
For The Financial year Ended December 31, 2025

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, 2024	17 070 716	3 070 495	2 794 204	27 224 185	707 362	50 866 962	17 970	50 884 932
<u>Comprehensive Income</u>								
Net profit for the year	-	-	-	10 098 140	-	10 098 140	13 188	10 111 328
Translation differences of foreign entities	-	-	-	-	997 681	997 681	-	997 681
Net change in fair value of financial assets at FVOCI	-	-	28 702	-	-	28 702	-	28 702
Equity accounted investees - net of tax share of OCI	-	-	-	(1 006 335)	-	(1 006 335)	-	(1 006 335)
Total Comprehensive Income	-	-	28 702	9 091 805	997 681	10 118 188	13 188	10 131 376
Impact of translation differences of foreign currency balances	-	-	-	(10 406 485)	-	(10 406 485)	-	(10 406 485)
Transferred to legal reserve	-	322 178	-	(322 178)	-	-	-	-
Capital reserve	(32)	-	32 239	-	-	32 239	-	32 239
<u>Transactions with shareholders :</u>								
Dividends for year 2023 (shareholders)	-	-	-	(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 in associates (Employees & Board of Directors)	-	-	-	(318 952)	-	(318 952)	-	(318 952)
Impact of merge effect of companies within the group	-	(125)	-	(86 686)	1 169	(85 642)	-	(85 642)
Total transactions with shareholders	-	(125)	-	(4 697 636)	1 169	(4 696 592)	(7 479)	(4 704 071)
Balance as of December 31, 2024	17 070 716	3 392 548	2 855 145	20 889 691	1 706 212	45 914 312	23 679	45 937 991
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
<u>Comprehensive Income</u>								
Net profit for the year	-	-	-	22 554 632	-	22 554 632	23 431	22 578 063
Translation differences of foreign entities	-	-	-	-	(6 099)	(6 099)	-	(6 099)
Net change in fair value of financial assets at FVOCI	-	-	(5 927)	-	-	(5 927)	-	(5 927)
Total Comprehensive Income	-	-	(5 927)	22 554 632	(6 099)	22 542 606	23 431	22 566 037
Transferred to legal reserve	-	144 912	-	(144 912)	-	-	-	-
<u>Transactions with shareholders :</u>								
Dividends for year 2024 (shareholders)	-	-	-	(2 560 607)	-	(2 560 607)	(5 613)	(2 566 220)
Dividends for year 2024 (Employees & Board of Directors)	-	-	-	(1 929 571)	-	(1 929 571)	(718)	(1 930 289)
Dividends in associates (Employees & Board of Directors)	-	-	-	(284 385)	-	(284 385)	-	(284 385)
Impact of merge effect effect of companies within the group	-	-	-	(35 308)	-	(35 308)	-	(35 308)
Total transactions with shareholders	-	-	-	(2 249 264)	-	(2 249 264)	(718)	(2 249 982)
Balance as of December 31, 2025	17 070 716	3 537 460	2 849 218	41 050 147	1 700 113	66 207 654	46 392	66 254 046

The attached notes on pages from (6) to (56) are an integral part of these Consolidated Financial Statements.

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

	Note <u>No.</u>	<u>For the Financial year ended:</u>	
		31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
<u>Cash flows from operating activities</u>			
Cash receipts from customers and notes receivable		106 222 085	81 259 416
Stamp tax and fees collected (from third party)		73 272	31 100
Deposits collected from customers		94 177	54 042
Cash paid to suppliers		(25 882 968)	(25 876 286)
Cash paid for NTRA		(5 314 399)	(4 535 657)
Cash paid to Board of Directors		(57 161)	(51 247)
Cash paid to employees		(13 257 273)	(10 507 468)
Cash paid on behalf of employees		(1 877 917)	(1 755 216)
Payments to Tax Authority - Taxes other than income tax		(8 192 091)	(7 677 714)
Other proceeds		24 575	1 972 996
Cash provided by operating activities		51 832 300	32 913 966
Interest paid		(13 032 557)	(10 565 448)
Payments to Tax Authority - income tax		(1 176 197)	(828 298)
Net cash provided by operating activities		37 623 546	21 520 220
<u>Cash flows from investing activities</u>			
Payments for purchase of fixed assets and projects under construction		(27 778 906)	(28 945 948)
Payments for purchase of intangible assets		(1 837 862)	(6 186 350)
Proceeds from sales and compensation of fixed assets		203 280	1 502
Payments for purchase of financial assets at amortized cost - treasury bills		(2 584 576)	-
Payments for investments (associates)		-	(3 750)
Credit interest received		376 039	363 664
Dividends collected from investments		2 231 549	3 153 909
proceeds from financial assets at amortized cost - treasury bills income		168 120	70 679
Net cash used in investing activities		(29 222 356)	(31 546 294)
<u>Cash flows from financing activities</u>			
Payments for loans		(13 447 136)	(5 862 338)
Proceeds from loans		19 534 500	16 370 435
Net payments for credit facilities		(11 155 825)	(470 818)
Payments for lease obligations		(672 514)	(549 106)
Dividends paid to shareholders		(2 560 607)	(2 560 607)
Dividends paid to non-controlling interest		(5 614)	(5 646)
Net cash (used in)/ provided by financing activities		(8 307 196)	6 921 920
Net change in cash and cash equivalents during the year		93 994	(3 104 154)
Translation differences of foreign entities		25 218	226 801
Cash and cash equivalents at the beginning of the year	(25)	7 565 330	10 442 683
Cash and cash equivalents at the end of the year	(25)	7 684 542	7 565 330

The attached notes on pages from (6) to (56) 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, 2025

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 parent company

The main purpose of the parent 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 25, 2026.

2. BASIS OF PREPERATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2-1 Statement of compliance

- These consolidated Financial Statements as of December 31, 2025 have been prepared according to Egyptian Accounting Standard and in the light of applicable 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 "The effects of changes in foreign exchange rates".

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 profit or loss 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. | - Deferred tax assets and liabilities. |
| - Expected credit loss. | - Operational useful life of fixed assets. |
| - Net realizable value of the inventory | - 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.

3- Segment reporting

Operating activities related to the group 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

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, 2025.

Certain comparative figures have been reclassified to conform to the current presentation of the Consolidated Financial Statements (Note No.42).

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 consolidated 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 group and the acquired company, and these amounts are usually recognized in consolidated 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 consolidated financial statements with any changes in fair value recognized in consolidated 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)

An associate company is an entity over which the Company has significant influence through participation in the financial and operating decisions of that entity, but it does not amount to control or joint control.

Investments in associate companies are accounted for at cost unless they are classified as non-current investments held for sale, in which case they are measured at book value or fair value less costs to sell, whichever is lower.

However, if some indications and indicators of the possibility of impairment losses in the value of investments in associate companies appear at the date of the separate financial statements, the book value of those investments is reduced to their recoverable value and the resulting impairment losses are included immediately in the separate profit or loss statement.

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 profit or loss 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).

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

Notes to the consolidated financial statements

For the financial year ended December 31, 2025 (continued)

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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 or 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 profit or loss.

(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 profit or loss.

(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
Decoration and fixtures	5

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 group.

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 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 group 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 group 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.

Financial Assets - Business Model Evaluation:

The group 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:

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 group 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

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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 of profit or loss

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 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 group 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 group 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 group 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.

4-7 Inventories

- Inventories are measured at the lower 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.

4-8 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.

4-9 Impairment

1) Non-derivative financial assets

Financial instruments and assets arising from the contract

The group recognizes 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.

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

The group 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
- Financial assets held for a long period according to the nature of every asset.

The group 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 date, the group 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 group has no reasonable expectations of recovering all or part of the financial asset. For single clients, the group 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 group makes an independent assessment of the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The group 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.

Non-Financial Assets

At the end of each financial year, the group reviews the carrying amounts of its non-financial assets, excluding inventory, work in progress, and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, the group estimates the recoverable amount of the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that includes the asset and generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value, less costs of disposal and its value in use. The value in use is the present value of the estimated future cash flow expected to arise from the asset, discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit on a pro rata basis according to the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in a subsequent period. For other assets, impairment losses are reversed to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

4-10 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.

4-11 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

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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.

4-12 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 group spends to borrow money.

4-13 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.

4-14 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 profit or loss as other income on a systematic basis over the useful life of the asset.

4-15 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.

4-16 Expenses

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

4-17 Net financing (cost) / income

The company's revenues and financing costs include the following:

- Credit interest
- Debit benefits
- Dividend income
- Gains or losses from currency differences resulting from financial assets and liabilities

The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument to: the gross carrying amount of the financial asset or

-The amortized cost of the financial obligation.

-When calculating interest income and expenses, the effective interest rate is applied to the total book value of the asset (when the asset is not credit-deficient) or to the amortized cost of the liability. However, for financial assets that become credit depreciated after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the higher asset. If the principal is no longer credit-impaired, the interest income calculation reverts to the gross basis

4-18 Employees benefits

The group 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 The group's contribution in loyalty and belonging fund and medical insurance system for retired employees.

4-19 lease contracts

4-19-1 As lessee

Recognition

When the contract is established, the group evaluates whether the contract is a leasing contract or includes a leasing contract. The contract is a leasing contract if the contract transfers the right to control the use of a specific asset for a period in exchange for consideration.

Measuring usufruct assets

On the start date of the lease contract, the group measures the right-of-use assets at cost, and the right-of-use asset is subsequently measured at cost, minus any accumulated depreciation and any accumulated impairment losses.

The cost of the right-of-use asset consists of:

- (a) The amount of the initial measure of the liability upon leasing
- and (b) any lease payments made on or before the lease start date less any lease incentives received.
- and (c) any initial direct costs incurred by the Lessee
- (d) An estimate of the costs that the lessee will incur in dismantling and removing the asset subject of the contract and returning the site where the asset is located to its original condition or returning the asset itself to the required condition in accordance with the terms and conditions of the leasing contract.

Measuring the lease commitment

At the commencement date of the lease contract, the Company measures the lease liability at the present value of the unpaid lease payments on that date, discounting the lease payments using the interest rate implicit in the lease contract if that rate can be easily determined. If that rate cannot be easily determined, the company uses the interest rate on the tenant's additional borrowing, and the lease contract obligation is measured later by increasing the book amount. To reflect interest on the lease liability and reduce the carrying amount to reflect the lease payments.

The leasing payments at the start date of the lease contract, which are included in measuring the leasing liability, consist of the following payments for the right to use the asset subject of the contract during the term of the lease contract, which were not paid at the start date of the lease contract:

- (A) Fixed payments include substantially fixed payments less than any rental incentives accrued.
- (b) variable lease payments based on an index or rate, initially measured using the index or rate at the commencement date of the lease
- and (c) amounts expected to be paid by the Company under residual value guarantees
- and (d) the exercise price of the purchase option if the lessee is certain to exercise such an option in a titled and valued form, and the lease payments for the renewal period. Optional if the tenant is certain of exercising the extension option and penalty payments for terminating the rental contract if the term upon rental reflects the tenant exercising the option to terminate the rental contract.

Short-term leases and lease contracts in which the underlying asset has a small value

The group chose not to recognize the usufruct asset and liabilities of short-term lease contracts and lease contracts in which the underlying asset has a small value, as the company recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

4-19-2 As a lessor

When starting or amending a contract that contains a rental component, the group allocates the consideration in the contract to each rental component on the basis of their independent relative prices.

When a group becomes a lessor, it determines at the inception of the lease whether each lease is a finance lease or an operating lease.

To classify each lease contract, the group conducts a comprehensive assessment of whether the lease transfers substantially all of the risks and rewards of ownership of the asset. If this is the case, the leasing contract is a financial leasing contract! If not, it

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is an operating lease, and as part of this evaluation the company looks at some indicators such as whether the lease maximizes the life of the economic asset.

When the group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease must be classified by reference to the usufruct asset resulting from the head lease and not by reference to the underlying asset. If the main lease is a short-term lease to which the group applies the exemption described above, then the sublease is classified as an operating lease. If the agreement contains a rental and non-rental component, The group applies Egyptian Accounting Standard No. 48 to allocate the consideration in the contract. The group applies the derecognition and impairment requirements in Egyptian Accounting Standard No. 47 to the net investment in the lease contract. The group then periodically reviews the estimated remaining unguaranteed values used to calculate the total investment in the lease contract On a regular basis. The group recognizes lease payments received under operating leases as revenue on a straight-line basis over the lease term as part of other income.

4-20 Revenue from contracts with customers

The company recognizes revenue from contracts with customers on the basis of a five-step model:

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 group 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 group 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 group'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 group'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 group'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.

The group uses the following provisions:

Fulfillment of performance obligations

The group 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 group and usually has an enforceable right to pay for performance completed to date.

In these circumstances, the group 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 group 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 group 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.

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

- The group 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 group 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 consolidated profit or loss statement on the date on which the group'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 group 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 group, and the revenue is realized when there is a sufficient expectation that there will be future economic benefits that will flow to the group, 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.

4-21 Earnings per share

The group 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.

4-22 Reserves

- Legal Reserve: According to the parent 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.

4-23 Income tax

Taxes

Income tax expense includes the amount of current tax payable and deferred tax.

Current tax

The current tax payable depends on the general tax profit, and the tax profit differs from the accounting profit shown in the consolidated profit or loss statement because of the presence of items of income or expenses that are subject to tax or tax deductible in other years, and because of other requests that will always and forever not be subject to tax or allowed to be tax deducted. The company's current tax obligation is calculated using the tax rates that have been officially or implicitly approved until the end of the fiscal period.

Deferred tax

Deferred tax is recognized on temporary differences resulting from the difference between the book values of assets and liabilities in accordance with the accounting method used in preparing the consolidated financial statements and the tax bases for those assets and liabilities used in calculating tax profit.

In general, deferred tax liabilities are recognized on all taxable temporary differences, while deferred tax assets are usually recognized on all tax-deductible temporary differences, but only to the extent that it is likely that sufficient taxable profits will be achieved through which those deductible temporary differences can be used.

Deferred tax assets or liabilities are not recognized on temporary differences resulting from the initial recognition of other assets and liabilities in a transaction (other than a business combination transaction) that does not affect tax profit or accounting profit.

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For the financial year ended December 31, 2025 (continued)

Translation from Arabic

The book value of deferred tax assets is reviewed at the end of each financial period and the book value is determined for you when there is no probable possibility that sufficient tax profits will be achieved to allow the deferred tax asset to be recovered in full or part of it.

Deferred tax assets and liabilities are measured using the tax rates expected to be applicable in the period in which the liability is settled or the asset is used, and according to the tax rates and tax laws that have been officially affected or extended until the end of the financial period, and reflect the process of measuring deferred tax liabilities and assets. The tax implications that would result from the way the company expects - at the end of the financial period - to recover or settle the book value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a binding legal right to offset current tax assets and current tax liabilities and when the deferred tax assets and liabilities relate to income taxes, presented by the same tax authority, and the company's intention is to settle those assets and tax liabilities net of deferred tax assets and liabilities with income taxes.

Current and deferred tax for the year

Current and deferred tax are recognized as an expense or revenue in the profit or loss statement - unless they are related to items recognized directly in equity - when both current and deferred tax are also recognized directly in equity.

4-24 Non-current assets held for sale

A non-current asset (or disposal group) shall be classified as non-current held for sale assets if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. The sale must be highly probable through management's commitment to a plan to sell the asset and an active program to complete the plan must have been initiated. In addition to the above, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, unless the delay is caused by events or circumstances beyond the company's control and there is sufficient evidence that the company remains committed to its plan to sell the asset.

Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

4-25 Effective interest method

The effective interest method is used to calculate the amortized cost of financial assets that represent debt instruments and to allocate yield over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (which include all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, as well as transaction costs and any other premiums) over the expected life of the financial assets or a shorter appropriate period.

Yield recognition is based on the effective interest rate for all debt instruments, except for those classified as financial assets at fair value through profit or loss, where the yield is included within the net change in their fair value.

4-26 Discontinued operations

A discontinued operation is considered a component of the group's operations that represents a separate major line of business or geographical area, or constitutes part of a single coordinated plan to dispose of a separate major line of business or geographical area, or a subsidiary acquired exclusively with a view to resale.

Classification as discontinued operations occurs when they are sold, or classified as assets held for sale, whichever is earlier.

When an operation is classified as discontinued, the comparative figures in the income statement are reclassified on the assumption that the operation has been discontinued from the beginning of the comparative year.

4-27 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.

4-27-1 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.

4-27-2 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.

4-27-3 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.

4-27-4 Capital management

The Board of Directors for the parent company 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

	For the financial year ended:	
	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Home and personal communications	52 086 310	36 033 726
Enterprise	9 788 235	8 311 686
Domestic wholesale	10 293 543	9 293 126
International carriers	18 202 241	14 210 275
International cables and networks	16 302 617	13 828 999
	<u>106 672 946</u>	<u>81 677 812</u>

6. OPERATING COSTS

	Note No.	For the financial year ended:	
		31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
Call cost		16 082 021	13 064 610
Depreciation of fixed assets	(16)	14 612 060	12 184 147
Amortization of intangible assets (licenses and frequencies)	(17)	1 777 008	1 578 182
Amortization of usufruct assets	(18)	388 342	620 954
Amortization of right of use assets (lease contracts)	(19-1)	265 203	226 274
Salaries and wages		6 620 037	5 744 088
Company's social insurance contribution		531 396	470 213
Employees vacations allowance		6 560	15 206
Frequencies and licenses charges (NTRA)		5 274 828	3 952 958
Cost of merchandise available for sale		1 855 834	1 457 511
Right of use (IRU) outside Egypt - leased circuits		2 261 860	1 582 590
Fuel		1 897 522	1 516 719
Spare parts		997 846	692 536
Maintenance		1 497 803	1 331 926
Organizations services costs		5 268 572	4 717 076
Electricity and water		172 793	152 017
Materials, supplies and miscellaneous printed		115 157	106 847
Transportation cost		505 636	398 651
Cost of group calls		446 373	274 172
Other operating costs		1 256 985	1 098 373
		<u>61 833 836</u>	<u>51 185 050</u>

7. OTHER INCOME

	For the financial year ended:	
	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Fines and earned delay interest	108 477	179 733
Sundry revenues	856 174	520 038
	<u>964 651</u>	<u>699 771</u>

8. SELLING AND DISTRIBUTION EXPENSES

	Note No.	For the financial year ended:	
		31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
Salaries and wages		2 975 311	2 583 893
Company's social insurance contribution		224 896	197 869
Employees vacations allowance		3 040	7 047
Depreciation of fixed assets	(16)	27 808	17 698
Amortization of right of use assets (lease contracts)	(19-1)	76 255	70 228
Advertising and marketing		1 341 992	1 355 174
Tax and duties		24 321	28 185
Organizations services costs		49 369	26 266
Agents's commissions and collection contracts		1 088 573	960 504
Other selling and distribution expenses		267 092	168 852
		<u>6 078 657</u>	<u>5 415 716</u>

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Note No.	For the financial year ended:	
		31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
Salaries and wages		4 968 233	3 973 393
Company's social insurance contribution		316 984	265 779
End of service compensation	(14-1)	166 149	573 718
The company's contribution in loyalty and belonging fund	(14-2)	250 000	260 000
Employees vacations allowance		8 952	14 835
Takaful contribution expense		326 774	267 128
Depreciation of fixed assets	(16)	126 551	148 229
Amortization of right of use assets (lease contracts)	(19-1)	103 549	119 574
Tax and duties		372 145	237 562
Organizations services costs and consultants		1 040 152	821 249
Bank charges		58 646	79 803
Other general and administrative expenses		903 679	658 475
		<u>8 641 814</u>	<u>7 419 745</u>

10. OTHER EXPENSES

	Note No.	For the financial year ended:	
		31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>L.E. (000)</u>
Provisions	(29)	656 964	319 954
Impairment on projects under constructions	(16)	197 605	-
Capital losses		1 313 674	20 394
Donations		134 365	213 852
Other expenses		12015	1 946
		<u>2 314 623</u>	<u>556 146</u>

11. NET FINANCE COST

	For the financial year ended:	
	31/12/2025	31/12/2024
	<u>LE (000)</u>	<u>LE (000)</u>
<u>Finance income</u>		
Credit interest	489 345	427 645
Treasury bills income	172 664	70 679
Income from money market funds	45 734	34 654
Dividends income from financial assets at FVOCI	13 379	16 523
Income from prepaid tax	59 768	40 773
Net translation gain of foreign currencies balances and transactions	1 013 005	-
Total finance income	<u>1 793 895</u>	<u>590 274</u>
<u>Finance costs</u>		
Interest expense	(12 826 709)	(10 881 711)
Finance costs for credit contracts	(926 668)	(607 627)
Net translation loss of foreign currencies balances and transactions	-	(4 858 841)
Total finance cost	<u>(13 753 377)</u>	<u>(16 348 179)</u>
Net finance cost	<u>(11 959 482)</u>	<u>(15 757 905)</u>

12. SHARE OF PROFIT OR LOSS OF EQUITY ACCOUNTED INVESTEEES

12.1 Statement of profit or loss

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Vodafone Egypt Telecommunication company	14 760 634	8 613 021
Egypt Trust	55 319	49 505
New Matrix For Technology	12 220	-
	<u>14 828 173</u>	<u>8 662 526</u>

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

12.2 Statement of other comprehensive income

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Vodafone Egypt Telecommunication company	-	(1 006 335)
	<u>-</u>	<u>(1 006 335)</u>

13- DISCONTINUED OPERATIONS

13-1 Results of discontinued operations

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Revenues	357 052	359 117
Expenses	(37 240)	(28 610)
Depreciation	(14 648)	(29 200)
Net profit for the year before income tax from discontinued operations	305 164	301 307
Income tax	(68 662)	(67 794)
Net profit for the year after income tax from discontinued operations	<u>236 502</u>	<u>233 513</u>

13-2 Cash flows from discontinued operations

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Net cash provided by operating activities	202 774	234 835
Net cash used in investing activities	(538 063)	(958 392)
Net change in cash and cash equivalents from discontinued operations	<u>(335 289)</u>	<u>(723 557)</u>

The company management excluded the results of discontinued operations that took place before the completion of the restructuring of the assets related to the regional data center hub (RDH) (Note No. 43-2)

14. EMPLOYEE'S BENEFITS (Parent company)

14.1 End of service compensation

The Parent 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 parent 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 Parent 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 Parent company according to the following:

First: The important conditions of end of service compensation

- The actual service duration in the parent company not less than Nineteen years.
- The employee's signature on the end of service agreement concluded between him and the parent company.
- Approval of the parent company's manpower planning committee of the group according to the requirement of work and the parent 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 group'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 group needs the applicant employee or not, the said committee has completed the study of all the applications submitted by the employees of the group, 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. 166 149 K for the year ended in 31 December 2025 (against an amount of L.E.573 718 K for year 2024) (Note no. 9).

Notes to the consolidated financial statements

For the financial year ended December 31, 2025 (continued)

Translation from Arabic

14.2 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.
- 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 group's share represents annual defined contribution and the company had contributed by an amount of L.E 250 M for year 2025 (against an amount of L.E.260 M for year of 2024) stated in the general and administrative expenses as shown in (Note no.9)

15. BASIC AND DILUTED EARNINGS PER SHARE FOR THE YEAR

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u>	<u>31/12/2024</u>
Net profit for the year from continued operations (LE in thousand)	22 318 130	9 864 627
Net profit for the year from discontinued operations (LE in thousand)	236 502	233 513
Net profit for the year	22 554 632	10 098 140
Less:		
Employees' share in profit (LE in Thousand)	2 120 728	1 868 596
Board of directors share (LE in Thousand)*	63 089	59 916
Net Profit for the year available for distribution (LE in Thousand)	20 370 815	8 169 628
Weighted average number of outstanding shares available during the year (share)	1 707 071 600	1 707 071 600
Basic and diluted earning per share for the year from continued operations (L.E / Share)	11.79	4.65
Basic and diluted earning per share for the year from discontinued operations (L.E / Share)	0.14	0.14
Basic and diluted earning per share for the year (L.E / Share)	11.93	4.79

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

Notes to the consolidated financial statements
For the financial year ended December 31, 2025 (continued)

Translation from Arabic

16-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 January, 1, 2024	2 395 085	52 994 856	51 538 649	321 811	1 396 521	270 882	224 005	17 007 022	126 148 831
Additions during the year	11 182	10 643 615	15 758 910	83 971	200 965	70 933	18 845	5 754 570	32 542 991
The effect of currency of resulting from balances in foreign currencies	-	972 541	3 755 451	-	-	-	-	1 058 837	5 786 829
Disposals during the year	-	(161 866)	(911 572)	(1 172)	(8 956)	(4 868)	-	-	(1 088 434)
Translation differences of foreign entities	4 319	656 919	355 010	453	19 350	7	27 655	-	1 063 713
Cost as at December, 31 2024 (Reclassified)	2 410 586	65 106 065	70 496 448	405 063	1 607 880	336 954	270 505	23 820 429	164 453 930
Additions during the year	-	13 857 641	17 123 696	258 075	59 741	45 533	4 258	3 601 711	34 950 655
Transferred to assets held for sale	-	(97 663)	(409 548)	-	(57)	(63)	-	(2 064 856)	(2 572 187)
Disposals during the year	-	(545 316)	(5 883 613)	(2 944)	(34 823)	(16 209)	(460)	(82 461)	(6 565 826)
Translation differences of foreign entities	(686)	(13 105)	29 560	75	1 265	(1)	3 779	(397 656)	(376 769)
Cost as at December, 31 2025	2 409 900	78 307 622	81 356 543	660 269	1 634 006	366 214	278 082	24 877 167	189 889 803
Accumulated depreciation and impairment as at January, 1, 2024	-	23 098 283	23 464 591	153 329	1 023 440	191 365	184 612	30 055	48 145 675
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	203 396	452	12 927	3	13 272	-	841 179
Accumulated depreciation and impairment as at December, 31 2024 (Reclassified)	-	26 472 593	32 131 640	184 584	1 066 524	211 643	215 595	30 055	60 312 634
Transferred to assets held for sale	-	(7 813)	(114 495)	-	(15)	(19)	-	-	(122 342)
Impairment for the year	-	-	-	-	-	-	-	197 605	197 605
Depreciation for the year	-	3 368 324	11 200 410	44 258	116 352	38 943	12 780	-	14 781 067
Accumulated depreciation for disposals	-	(342 826)	(4 593 244)	(1 695)	(34 634)	(16 200)	(460)	-	(4 989 059)
Translation differences of foreign entities	-	(76 730)	(43 846)	75	644	(2)	1 136	-	(118 723)
Accumulated depreciation and impairment as at December, 31 2025	-	29 413 548	38 580 465	227 222	1 148 871	234 365	229 051	227 660	70 061 182
Net carrying amounts as at December, 31 2025	2 409 900	48 894 074	42 776 078	433 047	485 135	131 849	49 031	24 649 507	119 828 621
Net carrying amounts as at December, 31 2024 (Reclassified)	2 410 586	38 633 472	38 364 808	220 479	541 356	125 311	54 910	23 790 374	104 141 296

- Cost of fixed assets and projects under construction includes an amount of L.E. 19 882 Million fully depreciated assets and still in use.
- Fixed assets by an amount of L.E. 1 356 059 K were disposed by netting as a result of the losses related to Ramses Central Fire Accident (Note No.43-1)
- Some items of fixed assets and projects under construction have been transferred to assets held for sale (Note No. 26).
- Reclassification was made to the comparative figures are shown in (Note no. 42-1).

Depreciation for the year is charged to profit or loss statement as follows:

	Note No.	For the financial year ended	
		31/12/2025 L.E. (000)	31/12/2024 L.E. (000)
Operating costs	(6)	14 612 060	12 184 147
Selling and distribution expenses	(8)	27 808	17 698
General and administrative expenses	(9)	126 551	148 229
Discontinued operations	(13-1)	14 648	29 200
		14 781 067	12 379 274

17. Intangible assets (licenses and frequencies)

	Licenses granted for mobile services	Submarine cable Licenses	Internet services Licenses	Data Center Licenses	Goodwill	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>	<u>L.E. (000)</u>
Cost as 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
Cost at December 31, 2024	20 864 858	186 941	28 424	7 724	15 839	4 620 000	25 723 786
Cost at January 1, 2025	20 864 858	186 941	28 424	7 724	15 839	4 620 000	25 723 786
Additions during the year	-	-	237	-	-	333 550	333 787
Transferred during the year	4 953 550	-	-	-	-	(4 953 550)	-
Disposal during the year	-	-	(7 020)	-	(15 839)	-	(22 859)
Translation difference of foreign entities	-	(159 440)	(7 577)	-	-	-	(167 017)
Cost at December 31, 2025	25 818 408	27 501	14 064	7 724	-	-	25 867 697
Accumulated amortization as at January 1, 2024	4 440 866	121 717	24 414	-	-	-	4 586 997
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
Accumulated amortization as at December 31, 2024	5 984 826	152 061	21 002	451	-	-	6 158 340
Accumulated amortization as at January 1, 2025	5 984 826	152 061	21 002	451	-	-	6 158 340
Amortization for the year	1 776 112	116	264	516	-	-	1 777 008
Disposal during the year	-	-	(6 920)	-	-	-	(6 920)
Translation difference of foreign entities	-	(126 662)	(505)	-	-	-	(127 167)
Accumulated amortization as at December 31, 2025	7 760 938	25 515	13 841	967	-	-	7 801 261
Net carrying amounts as at December 31, 2025	18 057 470	1 986	223	6 757	-	-	18 066 436
Net carrying amounts as at December 31, 2024	14 880 032	34 880	7 422	7 273	15 839	4 620 000	19 565 446

- Assets related to good will have been sold and disposed in year 2025

18- USUFRUCT ASSETS

	Usufruct Projects L.E. (000)	Submarine cables L.E. (000)	ROU L.E. (000)	Land (Possession) L.E. (000)	Licenses and programs L.E. (000)	Projects Under construction L.E. (000)	Total L.E. (000)
Cost as at January 1, 2024	1 888 170	3 070 240	796 690	440 684	-	2 014 493	8 210 277
Additions during the year	661 958	1 254 780	-	115 653	-	-	2 032 391
The effect of foreign currencies differences	48 911	227 853	-	-	-	45 846	322 610
Disposals during the year	-	(190 623)	(1 729)	-	-	(36 015)	(228 367)
Translation difference of foreign entities	-	187 624	39 494	-	-	-	227 118
Cost at December 31, 2024	2 599 039	4 549 874	834 455	556 337	-	2 024 324	10 564 029
Additions during the year	559 440	660 895	-	68 637	1 647	426 949	1 717 568
Disposals during the year	-	(280 512)	-	-	-	-	(280 512)
Translation difference of foreign entities	-	81 706	(1 758)	-	-	-	79 948
Cost at December 31, 2025	3 158 479	5 011 963	832 697	624 974	1 647	2 451 273	12 081 033
Accumulated amortization as at January 1, 2024	86 414	1 362 707	300 306	-	-	-	1 749 427
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
Accumulated amortization as at December 31, 2024	372 234	1 763 457	391 375	8 374	-	-	2 535 440
Amortization for the year	129 617	175 239	68 931	14 301	254	-	388 342
Accumulated amortization for disposals	-	(82 077)	-	-	-	-	(82 077)
Translation differences of foreign entities	-	62 910	445	-	-	-	63 355
Accumulated amortization as at December 31, 2025	501 851	1 919 529	460 751	22 675	254	-	2 905 060
Net carrying amounts as at December 31, 2025	2 656 628	3 092 434	371 946	602 299	1 393	2 451 273	9 175 973
Net carrying amounts as at December 31, 2024	2 226 805	2 786 417	443 080	547 963	-	2 024 324	8 028 589

- Cost of usufruct assets on December 31, 2025 includes an amount of L.E. 397 Million (against an amount of L.E. 426 million for the year 2024) fully depreciated assets and still in use.

19. Right OF USE ASSETS AND LIABILITIES (LEASE CONTRACTS)

19-1. Right of use assets (lease contracts)

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Cost at beginning balance	2 992 107	1 991 207
The effect of foreign currencies differences	-	9 939
Additions	263 828	854 904
Disposals	(79 240)	(4 866)
Translation difference of foreign entities	25 003	140 923
Cost at ending balance	<u>3 201 698</u>	<u>2 992 107</u>
Accumulated amortization at beginning balance	1 657 404	1 118 907
Amortization for the year	445 007	416 076
Disposals	(26 782)	-
Translation difference of foreign entities	15 013	122 421
Accumulated amortization at ending balance	<u>2 090 642</u>	<u>1 657 404</u>
Net carrying amount for right of use assets	<u>1 111 056</u>	<u>1 334 703</u>

	Note	31/12/2025	31/12/2024
	<u>No.</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
<u>Amortization expense is distributed as follows:</u>			
Operating Costs	(6)	265 203	226 274
Selling and distribution expenses	(8)	76 255	70 228
General and administrative expenses	(9)	103 549	119 574
		<u>445 007</u>	<u>416 076</u>

19-2. Lease Obligations

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

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Beginning balance of Present value for lease obligations	1 589 571	1 062 529
Additions	263 828	854 904
Disposals	(54 504)	(4 866)
Payments	(672 514)	(549 106)
The effect of foreign currencies differences	(17 720)	9 574
Interest	219 914	180 353
Translation difference of foreign entities	18 942	36 183
Net present value for lease obligations resulting from right of use	<u>1 347 517</u>	<u>1 589 571</u>

Classified as:

Current Lease obligations	<u>615 555</u>	<u>503 122</u>
Non Current Lease obligations	<u>731 962</u>	<u>1 086 449</u>

20. EQUITY ACCOUNTED INVESTEEES

	31/12/2025		31/12/2024	
	Ownership %	LE (000)	Ownership %	LE (000)
- Vodafone Egypt Telecommunication company	44.95	30 662 412	44.95	18 654 705
- Egypt Trust	35.71	62 440	35.71	67 900
- New matrix for technology	25.50	13 478	25.50	5 000
		30 738 330		18 727 605

20-1 Vodafone Egypt telecommunication Company

	Note No.	31/12/2025 LE (000)	31/12/2024 LE (000)
- Balance as at January 1, 2024		18 654 705	14 831 246
- Share of profit of associate	(12-1)	14 760 634	7 606 686
- Accrued dividends from the associate		(2 477 474)	(3 472 323)
- Share of dividends to employees		(275 453)	(310 904)
		30 662 412	18 654 705

Statement of financial position

	31/12/2025 LE (000)	31/12/2024 LE (000)
Non current assets	54 062 000	47 224 220
Current assets	58 793 000	31 483 395
Non current liabilities	(7 930 000)	(1 589 962)
Current liabilities	(47 204 144)	(46 112 798)
Equity	57 720 856	31 004 855

Statement of income

	31/12/2025 LE (000)	31/12/2024 LE (000)
Revenues	109 601 000	76 015 239
Profit before tax	42 570 000	22 512 403
Net profit and total comprehensive income for the year	32 841 000	16 924 150
Group's share of net profit and total of other comprehensive income for the year - 44.95 % (2024 : 44.95 %)	14 760 634	7 606 686

- 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, 2025, represents the ownership of 107 869 799 shares with a percentage of 44.95% from the total shares of Vodafone Egypt.

Notes to the consolidated financial statements

For the financial year ended December 31, 2025 (continued)

Translation from Arabic

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, 2025 by using the Consolidated Financial of Vodafone Egypt for the financial year ended March 31, 2025 that were authorized by the Company's management which presents the 12 months from the 1st of April 2024 till March 31, 2024, less the movements for the period from the April 1, 2024 till December 31, 2024 extracted from the consolidated Financial Statements for Vodafone Egypt as of December 31, 2024. Plus, the movements for the period from the 1st of April 2025 till December 31, 2025 extracted from the consolidated Financial information for Vodafone Egypt as of December 31, 2025, to determine the share of financial period from January 1 to December 31, 2025 of business results.

20-2 Egypt Trust

		<u>31/12/2025</u> <u>LE (000)</u>	<u>31/12/2024</u> <u>LE (000)</u>
- Balance as at January 1, 2025		67 900	52 369
- Share of profit of associate	(12-1)	55 319	49 505
- Accrued dividends from the associate		(51 848)	(25 926)
- Share of dividends to employees		(8 931)	(8 048)
		<u>62 440</u>	<u>67 900</u>

20-3 New Matrix For Technology

		<u>31/12/2025</u> <u>LE (000)</u>	<u>31/12/2024</u> <u>LE (000)</u>
- Balance as at January 1, 2025		5 000	5 000
- Share of profit of associate	(12-1)	12 220	-
- Accrued dividends from the associate		(3 742)	-
		<u>13 478</u>	<u>5 000</u>

21. Investments in financial assets at FVOCI

	<u>31/12/2025</u> <u>LE (000)</u>	<u>31/12/2024</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>
<u>Add:</u>		
Cumulative change in fair value	37 972	45 620
	<u>112 828</u>	<u>120 476</u>

22. INVENTORIES

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Spare parts	1 828 672	1 487 179
Material supplies, Merchandise for sale	5 542 229	6 596 013
Others	18 285	23 375
	<u>7 389 186</u>	<u>8 106 567</u>

Inventory's value was written down by L.E. 155 800 K (against L.E. 99 379 K at December 31, 2024) for obsolete and slow-moving items deducted directly from the cost of each type of inventory (Note no. 28).

Inventories by an amount of L.E. 127 508 K were disposed by netting as a result of the losses related to Ramses Central Fire Accident (Note No. 43-1)

23. TRADE AND NOTES RECEIVABLES

	Note	31/12/2025	31/12/2024
			<u>Reclassified</u>
	<u>No.</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Trade Receivables - National*		8 624 934	8 076 835
Trade Receivables - International		13 329 626	12 011 106
		<u>21 954 560</u>	<u>20 087 941</u>
<u>Less:</u>			
Expected credit loss	(30)	4 042 844	3 445 309
<u>Add:</u>			
Notes Receivables		321 829	404 871
		<u>18 233 545</u>	<u>17 047 503</u>

*Reclassification was made to the comparative figures are shown in (Note no. 42-1).

24. DEBTORS AND OTHER DEBIT BALANCES

	Note No.	31/12/2025 L.E. (000)	31/12/2024 L.E. (000)
Suppliers – Advanced Payments		886 031	1 526 384
Deposits with others		364 114	350 355
Accrued revenues		560 228	260 734
Tax Authority – value added tax		915 915	1 502 445
Due from ministries, organizations, companies and franchises		1 938 423	1 400 200
Temporary debts due from employees		1 640 340	1 760 622
Prepaid expense		187 787	217 595
Other debit balances		1 738 342	2 134 325
		8 231 180	9 152 660
Less:			
Expected credit loss	(30)	351 519	270 031
		7 879 661	8 882 629
Less balances due within more than one year:			
Prepaid expenses		85 273	107 262
Non-current debtors and other debit balances		85 273	107 262
Current debtors and other debit balances		7 794 388	8 775 367
Total debtors and other debit balances		7 879 661	8 882 629

25. CASH AND CASH EQUIVALENTS

	Note No.	31/12/2025 LE (000)	31/12/2024 LE (000)
Banks - time deposits (less than 3 months)		2 621 288	2 440 390
Banks - current accounts		5 001 144	5 687 977
Cash on hand		3 691	6 351
Financial assets at amortized cost - Treasury bills (less than 3 months)		515 174	-
Investment funds documents (less than 3 months)		171 173	144 522
Cash and cash equivalents		8 312 470	8 279 240
Less:			
Restricted cash and cash equivalents at banks	(35)	627 928	713 910
Cash and cash equivalents as per statement of cash flow		7 684 542	7 565 330

26- ASSETS HELD FOR SALE

	31/12/2025 L.E. (000)	31/12/2024 L.E. (000)
Net carrying amount of fixed assets and projects under construction	2 449 845	-

On September 2025, The management committed to a plan restructuring and sell part of its assets, represented in regional data center hub (RDH) Accordingly, this part of assets is presented as assets held for sale. Note (No.43-2).

27. LOANS AND CREDIT FACILITIES

Description	Loan Currency	Short term loan	Long term loan	Balance	Balance	Short term loan	Long term loan	Balance	Balance	Annual	Repayment schedule
		installments due within one year	installments due within more than one year	as of 31/12/2025	as of 31/12/2025	installments due within one year	installments due withi more than one year	as of 31/12/2024	as of 31/12/2024	interest rate	
and credit facilities					<u>currency</u>			<u>Reclassified</u>	<u>currency</u>	<u>%</u>	
		<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>(000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>		
Foreign Loans	U.S.\$	10 838 455	19 587 619	30 426 074	368 533	11 364 627	27 347 380	38 712 007	761 598	Variable interest rate	Quarter installments ending on 08/11/2029
Foreign loans	EURO	109 842	740 290	850 132	15 196	103 899	804 138	908 037	17 159	Variable interest rate	Quarter installments ending on 30/06/2036
Local loans	LE	3 048 200	14 997 600	18 045 800	18 045 800	14 575	6 000 000	6 014 575	6 014 575	Variable interest rate	Quarter installments ending on 06/11/2031
Foreign suppliers' facilities	EURO	4 422	-	4 422	79	4 183	-	4 183	79	Variable interest rate	Multiple dates
Bank facilities	LE	21 353 382	-	21 353 382	21 353 382	26 239 598	-	26 239 598	26 239 598	Variable interest rate	Multiple dates
Bank facilities	U.S.\$	3 078 986	-	3 078 986	46 617	5 337 732	4 259 941	9 597 673	188 819	Variable interest rate	Ending in 31/12/2026
		<u>38 433 287</u>	<u>35 325 509</u>	<u>73 758 796</u>		<u>43 064 614</u>	<u>38 411 459</u>	<u>81 476 073</u>			

*Reclassification was made to the comparative figures are shown in (Note no. 42-1).

28. CREDITORS AND OTHER CREDIT BALANCES

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Suppliers and notes payables	11 481 486	8 884 055
Tax Authority (taxes other than income tax)	763 401	1 364 322
Deposits from others	1 259 690	1 079 078
Assets creditors	35 349 198	30 867 849
Accrued expenses	2 737 443	2 884 582
Customers - credit balances	2 019 724	1 552 758
Credit balances - organizations and companies	1 012 094	1 394 317
Contract liabilities*	15 814 665	11 731 873
National Telecommunication Regulatory Authority (NTRA)	5 332 553	3 901 165
Social Insurance Authority	153 558	157 874
Other credit balances	1 802 732	1 352 050
	<u>77 726 544</u>	<u>65 169 923</u>
<u>Less balances due within more than one year:</u>		
Assets creditors	22 768 788	16 181 381
Contract liabilities*	9 351 752	6 850 092
Non-Current creditors and other credit balances	<u>32 120 540</u>	<u>23 031 473</u>
Current creditors and other credit balances	<u>45 606 004</u>	<u>42 138 450</u>
Total creditors and other credit balances	<u>77 726 544</u>	<u>65 169 923</u>

* **Contract liabilities**

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Transmission systems for mobile services	863 372	746 924
Mobile services	1 439 961	1 128 239
Contract liabilities - International customers	1 900 161	486 680
Cabels operating and maintenance services	948 340	1 456 197
Internet, telecommunications services	1 499 153	1 349 434
Complementary Access Customers	9 089 766	6 523 487
Customers compensations	73 912	40 912
	<u>15 814 665</u>	<u>11 731 873</u>

*Reclassification was made to the comparative figures are shown in (Note no. 42-1).

29. PROVISIONS

	Balance as of 1/1/2025 <u>L.E. (000)</u>	Charged to profit or loss statement <u>L.E. (000)</u>	Used during the year <u>L.E. (000)</u>	Translation differences <u>L.E. (000)</u>	Balance as of 31/12/2025 <u>L.E. (000)</u>
Expected liabilities provision	1 310 573	656 964	(173 788)	(45)	1 793 704
	<u>1 310 573</u>	<u>656 964</u>	<u>(173 788)</u>	<u>(45)</u>	<u>1 793 704</u>

* Expected liabilities provision is represented in expected tax liabilities, lawsuits, compensation and social insurance claims in respect of

30. IMPAIRMENT LOSS ON ASSETS

	Note <u>No.</u>	Balance as of 1/1/2025 <u>LE (000)</u>	Charged to profit or loss statement <u>LE (000)</u>	Reverse of impairment on profit or loss statement <u>LE (000)</u>	Used during the year <u>LE (000)</u>	Balance as of 31/12/2025 <u>LE (000)</u>
Impairment loss on fixed assets and projects under construction	(16)	30 055	197 605	-	-	227 660
Write-down of inventories	(22)	99 379	56 421	-	-	155 800
ECL on trade and notes receivables	(23)	3 445 309	644 526	-	(46 991)	4 042 844
ECL on debtors and other debit balances	(24)	270 031	81 785	-	(297)	351 519
		<u>3 844 774</u>	<u>980 337</u>	<u>-</u>	<u>(47 288)</u>	<u>4 777 823</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.

31. CAPITAL

- The parent company 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 the parent company's shares in public offering during December 2005 and 10% during the year 2023.

32. RESERVES

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Legal reserve*	3 537 460	3 392 548
General reserve	2 762 626	2 762 626
Capital reserve	50 349	50 349
Revaluation reserve of investments of financial assets at fair value through OCI	29 429	35 356
Other reserve	6 814	6 814
	<u>6 386 678</u>	<u>6 247 693</u>

* General reserve amounting to L.E. 2 762 626 K as at December 31, 2025 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.

33. Income tax

33-1 Items recognized in statement of Profit or loss

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Current income tax	(5 157 043)	(2 677 742)
Deferred tax	(3 481 105)	2 226 615
	<u>(8 638 148)</u>	<u>(451 127)</u>
<u>Classified as follow:</u>		
Income tax from continued operations	(8 569 486)	(383 333)
Income tax from discontinued operations	(68 662)	(67 794)
	<u>(8 638 148)</u>	<u>(451 127)</u>

33-2 Items recognized in Statement of Comprehensive Income

	<u>For the financial year ended</u>	
	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Current income tax	1 369 087	811 620
Deferred tax on translation differences of foreign currency balances	(1 369 087)	2 209 617
Deferred tax on net change in fair value of financial assets at FVOCI	1 721	(8 332)
	<u>1 721</u>	<u>3 012 905</u>

33-3 Recognized Deferred tax assets and liabilities

	<u>31/12/2025</u>		<u>31/12/2024</u>	
	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	-	(1 492 123)	-	(1 437 324)
Intangible assets	-	(764 294)	-	(661 562)
Currency differences	4 985 640	(112 332)	7 438 975	(62 871)
Write down of inventories	34 394	-	21 859	-
Impairment loss on trade receivables and debtors and other debit balances	125 296	-	73 580	-
Provisions	4 047	-	3 157	-
Accrued liabilities	26 748	-	22 571	-
Effect of re-evaluation of investment in financial assets at FVOCI	-	(4 835)	-	(6 556)
Undistributed profit in subsidiaries and associated	-	(4 672 530)	-	(2 413 347)
Total deferred tax asset / (liabilities)	5 176 125	(7 046 114)	7 560 142	(4 581 660)
Net deferred tax assets / liabilities	-	(1 869 989)	2 978 482	-
Deferred tax	-	(4 848 471)	4 427 900	-
Deferred tax in the statement of profit or loss for the year	-	(3 481 105)	2 226 615	-
Deferred tax charged to the statement of comprehensive income for the year	-	(1 367 366)	2 201 285	-

33-4 Unrecognized deferred tax assets

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Impairment of trade receivables	784 860	726 036
Impairment of debtors and other debit balances	79 091	60 057
Provision for liabilities and claims	158 045	104 240
Other	60 890	16 270
	<u>1 082 886</u>	<u>906 603</u>

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.

33-5 Reconciliation of effective tax rate

	For the financial year ended:	
	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Net profit for the year before income tax	31 216 211	10 562 455
Income tax according to the current tax law (22.5%)	7 023 648	2 376 552
Tax on dividends from subsidiaries and associates	596 807	665 612
Tax on treasury bills	23 857	14 136
<u>Add / (Less):</u>		
Tax rate difference for subsidiaries outside Egypt	739	2 885
Exempted investments income	(628 931)	(1 316 909)
Foreign tax paid outside Egypt	-	(17 137)
Adjustments on other items	1 296 900	(1 273 036)
Adjustments on previous years	22 555	(976)
Capital Losses	302 573	-
Income tax	8 638 148	451 127
Effective tax rate	27.67%	4.27%

33-6 Current income tax

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Tax Authority - income tax	(3 153 729)	(1 110 218)
<u>Less:</u>		
Tax Authority -Advanced payments	1 919 867	1 285 532
Tax Authority - Adjustments on previos year	22 555	(976)
Tax Authority - Debit Balance	2 669	258 172
Tax Authority - withholding tax	54 483	307 742
	<u>(1 154 155)</u>	<u>740 252</u>

34. CAPITAL COMMITMENTS

The group's capital commitments for purchasing of fixed assets and project under construction for the unexecuted parts of contracts until December 31, 2025 amounted to L.E. 4 112 Million (against L.E. 2 194 Million as at December 31, 2024)

35. CONTINGENT LIABILITIES

In addition to the amounts included in the consolidated statement of financial statements, there are the following contingent liabilities on December 31, 2025:

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
- Letters of guarantee issued by banks on behalf of the group*	3 900 101	3 868 736

* Letters of guarantee which were issued by banks on behalf of the group and for the benefits of others as at December 31, 2025 include letters of guarantee have been issued against restricted cash and cash equivalent at banks (Note no.25).

36. TAX POSITION (Telecom Egypt Company)

36-1 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.
- 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 inspected 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.

36- 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.

36- 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.

36- 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 year 2023 to 2025 have not been done to date.

36- 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.

37. RELATED PARTY TRANSACTIONS

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

Nature of translation	Amount of transactions		Transaction volume		Balance as of	Balance as of
	during the year	during the year	during the year	during the year	31/12/2025	31/12/2024
	recorded in the Profit	or Loss statement	Debit	Credit	Debit/(Credit)	Debit/(Credit)
<u>during the year</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>
37-1 <u>Credit balances due to associates</u>						
Vodafone Egypt Telecommunications Company	Outgoing calls and voice services to the associates company	7 227 398				
	Incoming and international calls, transmission claims & lease of company premises and towers to the associates company	5 712 999	14 443 228	16 518 567	(4 543 996)	(2 468 657)
	Telecommunications Services					
			<u>14 443 228</u>	<u>16 518 567</u>	<u>(4 543 996)</u>	<u>(2 468 657)</u>

37-2 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.

37-3 Transactions with the Board of directors

On March 26, 2025, The Parent 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, 2024, in addition to attending board sessions allowances stipulated in the ordinary general assembly of the Telecom Egypt company.

38. GROUP ENTITIES

Parent company's direct and indirect share in subsidiaries companies on December 31, 2025 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>31/12/2025</u>	<u>31/12/2024</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 %	-
WE HOST	UAE	100.00 %	-
RDH	Egypt	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.

**TE Infraco Limited company and We Host company was established in United Arab of Emirates with capital 500 K \$ and 500 K \$ respectively as well as establishment of RDH company with capital 200 K \$.

***The capital of TE For Sports Company was increased by an amount L.E. 9000 K and it was registered in the commercial registr

39. Non-controlling interest

The non-controlling interest in the subsidiaries companies on December 31,2025 which were included in the consolidated financial statements are as follows.

<u>Middle East Radio Communication (MERC)</u>	<u>31/12/2025</u>	<u>31/12/2024</u>
NCI Percentage	49%	49%
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Non current assets	8 355	10 543
Current assets	210 675	152 575
Non current liabilities	1 577	1 755
Current liabilities	134 231	113 042
Net assets	83 222	48 321
Net assets attributable to NCI	40 779	23 677
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>L.E (000)</u>	<u>L.E (000)</u>
Net profit of the year	47 819	26 914
Other comprehensive income	-	-
Total comprehensive income	47 819	26 914
Net profit - NCI	23 431	13 188
Other comprehensive income - NCI	-	-
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>L.E (000)</u>	<u>L.E (000)</u>
Cash flows from operating activities	41 765	51 031
Cash flows from investing activities	(467)	(3 800)
Cash flows from financing activities	(11 457)	(11 910)
Net increase in cash and cash equivalents	29 841	35 321

40. FINANCIAL INSTRUMENTS

40-1 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 <u>No.</u>	31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>Reclassified</u> <u>L.E. (000)</u>
Trade and notes receivable	(23)	22 276 389	20 492 812
Cash and cash equivalents	(25)	8 308 779	8 272 889
Debtors and other debit balances	(24)	4 203 721	3 305 470
Financial assets at amortized cost -treasury bills		2 584 576	-
		<u>37 373 465</u>	<u>32 071 171</u>

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

Description	Not yet	Due	Due from	Due from	Due from	More than	Total
	Due	30 day	day to 31	day to 91	day to 181	day 270	
	<u>L.E. (000)</u>						
<u>December 31, 2025</u>							
Expected credit loss rate	1%	4%	7%	12%	16%	39%	
Gross carrying amount	1 325 641	4 532 879	5 894 632	4 987 632	2 652 984	7 086 342	26 480 110
Expected credit loss Provision	11 418	176 188	413 967	619 751	436 507	2 736 532	4 394 363
<u>December 31, 2024</u>							
Expected credit loss rate	1%	3%	7%	10%	14%	48%	
Gross carrying amount	1 226 955	4 958 723	5 036 982	5 136 985	2 658 963	4 779 674	23 798 282
Expected credit loss Provision	9 654	148 963	350 000	523 986	369 057	2 313 680	3 715 340

40-2 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>
<u>December 31, 2025</u>					
Creditors and other credit balances	95 891 932	50 555 916	16 945 127	27 343 227	1 047 662
Loans and credit facilities	58 661 350	34 668 293	22 506 558	734 372	752 127
Lease obligations	1 507 052	393 418	348 189	301 683	463 763
	<u>156 060 334</u>	<u>85 617 627</u>	<u>39 799 874</u>	<u>28 379 282</u>	<u>2 263 552</u>
<u>December 31, 2024</u>					
Creditors and other credit balances*	67 889 555	43 390 487	22 830 839	758 041	910 188
Loans and credit facilities*	97 170 049	51 834 033	16 945 127	27 343 227	1 047 662
Lease obligations	2 239 757	1 004 659	413 292	358 044	463 763
	<u>167 299 361</u>	<u>96 229 179</u>	<u>40 189 258</u>	<u>28 459 312</u>	<u>2 421 613</u>

*Reclassification was made to the comparative figures are shown in (Note no. 42).

Notes to the consolidated financial statements
For the financial year ended December 31, 2025 (continued)

Translation from Arabic

40-3 Currency risk exposure:

Description	U.S. Dollars (000)	Euro (000)	Canadian Dollar (000)	Maroccan Dirham (000)	Jordanian Dinar (000)	Mauritius robia (000)	Saudi riyal (000)	Chinees Yuan (000)	Emirate Dirhams (000)	Total L.E. (000)
December 31, 2025										
Trade receivables	334 867	14 507	3 176	76 567	-	18 397	-	-	-	17 297 887
Debtors and other debit balances	2 639	1 121	966	27 759	1 235	11 500	115	-	6	463 359
Cash & cash equivalents	84 580	6 137	400	1 700	3 838	16 095	81	-	8	4 671 259
Total assets in currency	422 086	21 765	4 542	106 026	5 073	45 992	196	-	14	22 432 505
Creditors & other credit balances	319 247	232 143	-	13 603	1 067	4 822	28	1 054 237	5	35 531 845
Foreign loans & facilities	697 633	15 281	-	-	-	-	-	-	-	34 097 123
Total liabilities in currency	1 016 880	247 424	-	13 603	1 067	4 822	28	1 054 237	5	69 628 968
Risk surplus (deficit)	(594 794)	(225 659)	4 542	92 423	4 006	41 170	168	(1 054 237)	9	(47 196 463)
Equivalent in Egyptian Pound	(28 341 979)	(12 624 669)	157 961	483 377	268 465	42 405	2 122	(7 184 259)	116	(47 196 463)
December 31, 2024										
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
Total assets in currency	386 745	27 497	2 429	120 228	4 577	80 287	235	-	176	22 208 373
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
Total liabilities in currency	968 214	213 965	-	9 286	1 543	7 713	28	816 353	-	66 388 235
Risk surplus (deficit)	(581 469)	(186 468)	2 429	110 942	3 034	72 574	207	(816 353)	176	(44 179 862)
Equivalent in Egyptian Pound	(29 556 083)	(10 388 288)	120 734	340 144	106 538	40 420	3 637	-	3 155	(44 179 802)

Exchange rates for currencies against Egyptian pound:

	Average exchange rate during:		Closing exchange rate as at:		Average exchange rate during:		Closing exchange rate as at:		
	2025	2024	31/12/2025	31/12/2024	2025	2024	31/12/2025	31/12/2024	
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	
U.S. Dollar	49.2300	44.3946	47.6500	50.8300	Maroccan Dirham	5.2400	4.5200	1.0300	4.9200
Euro	55.3177	47.9781	55.9460	52.9192	Jordanian Dinar	69.1985	57.2521	67.0081	71.3889
Canadian Dollar	35.1700	33.1300	34.7800	35.4000	Mauritius robia	1.0500	0.9600	1.0300	1.0600
Saudi Riyal	13.0700	12.1300	12.6800	13.5200	Emirate Dirhams	5.2400	12.4000	12.9700	13.8300
Chinees Yuan	6.8558	5.5081	6.8147	6.9659					

40-4 Sensitivity analysis

A 10% strengthening of the foreign currencies against the EGP as of December 31, 2025 may lead to losses increase by an amount of L.E 4 719 646 K (L.E. 4 417 986 K as of December 31, 2024). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis on 2024.

And a 10% weakening of the foreign currencies against L.E. at December 31, 2025 would have had the equal but opposite effect on the foreign currencies to the amounts shown above.

40-5 Interest rate risk

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

Description	Note No.	31/12/2025 L.E. (000)	31/12/2024 L.E. (000)
<u>Financial instruments with variable interest rate</u>			
Financial assets – deposits	(25)	2 621 288	2 440 390
Financial liabilities (loans-credit facilities)	(27)	73 222 360	80 726 267

40-6 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.

41 - 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
31/12/2025**

Description	Communications , marine cables and infrastructure	Internet	Outsourcing	All other	Total Ccontinued oprations	Total Discontinued oprations
	<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	58 977 725	42 808 010	4 057 050	830 161	106 672 946
Operating costs	(38 514 405)	(20 121 214)	(2 536 673)	(661 544)	(61 833 836)	(51 888)
Gross profit	20 463 320	22 686 796	1 520 377	168 617	44 839 110	305 164
Credit interest	566 265	54 170	45 016	42 292	707 743	-
Debit interest and Finance cost	(13 675 432)	(17 780)	(59 003)	(1 162)	(13 753 377)	-
Depreciation and amortization	(12 525 523)	(4 533 021)	(307 887)	(10 346)	(17 376 777)	(14 648)
The company's share of profit in associates companies	14 815 953	-	-	12 220	14 828 173	-
Non cash items						
ECL loss on financial assets	(291 705)	(454 310)	15 492	4 212	(726 311)	-
Provisions	(462 898)	(179 736)	(2 862)	(11 468)	(656 964)	-
Total assets	204 917 031	15 165 874	3 992 039	1 807 583	225 882 527	-
Total liabilities	145 202 791	9 532 484	3 234 940	4 224 486	162 194 701	-

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

Description	Communications , marine cables and infrastructure	Internet	Outsourcing	All other	Total Ccontinued oprations	Total Discontinued oprations
	<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	46 702 794	31 216 504	3 120 078	638 436	81 677 812
Operating costs	(33 210 692)	(15 627 594)	(1 838 382)	(508 382)	(51 185 050)	(57 810)
Gross profit	13 492 102	15 588 910	1 281 696	130 054	30 492 762	301 307
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	(13 646 231)	(1 030 942)	(274 848)	(13 265)	(14 965 286)	(29 200)
The company's share of profit in associates companies*	8 662 526	-	-	-	8 662 526	-
Non cash items						
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)	-
Total assets *	185 751 097	8 859 314	2 471 513	870 864	197 952 788	-
Total liabilities*	141 722 968	4 670 748	1 327 855	4 293 226	152 014 797	-

42- 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:

42-1 Effect on the consolidated statement of financial position

	31/12/2024 as previously reported debit / (credit) L.E.(000)	Reclassification debit / (credit) L.E.(000)	31/12/2024 Reclassified debit / (credit) L.E.(000)
Fixed assets and projects under constructions	102 379 069	1 762 227	104 141 296
Trade and notes receivables (Non Current)	963 852	(963 852)	-
Trade and notes receivables (Current)	17 845 878	(798 375)	17 047 503
Short term loans and credit facilities	(42 314 808)	(749 806)	(43 064 614)
Creditors and other Credit balance (current)	(42 888 256)	749 806	(42 138 450)

42-2 Effect on the consolidated statement of profit or loss

	31/12/2024 as previously reported debit / (credit) L.E.(000)	Reclassification debit / (credit) L.E.(000)	31/12/2024 Reclassified debit / (credit) L.E.(000)
Operating revenues	82 036 929	(359 117)	81 677 812
Operating costs	(51 241 962)	56 912	(51 185 050)
General and administrative expenses	(7 420 643)	898	(7 419 745)
Net profit for the year from continued operations	(10 111 328)	233 513	(9 877 815)
Net profit for the year from discontinued operations	-	(233 513)	(233 513)

43- SIGNIFICANT EVENTS

43-1 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.

43-2 Partnership in Regional Data Hub (RDH)

On September 3, 2025, The Board of Directors has granted its preliminary approval of the binding offer submitted by an investor to acquire a stake ranging from 75% to 80% in a subsidiary that will own the Regional Data Hub (RDH) To become a partnership between the two parties in the business of data center activity in Egypt, following the restructuring of said assets in a subsidiary, accordance with the procedures followed in this regard The matter , the terms and conditions of the deal were signed.

44- Subsequent events

On February 7, 2026, an agreement was signed to acquire new frequency bands and renew the rights to use for the existing frequency bands in order to support the development of the company's infrastructure and improve service quality.