



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

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Hazem Hassan

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Translation from Arabic

AUDITOR'S REPORT TO THE SHAREHOLDERS OF TELECOM EGYPT COMPANY

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Telecom Egypt Company S.A.E, "the Company" which comprise the separate statement of financial position as at December 31, 2025 and the related separate 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 Separate Financial Statements

These separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate financial statements.

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



Hazem Hassan

Translation from Arabic

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of Telecom Egypt Company as of December 31, 2025, and of its unconsolidated financial performance and its unconsolidated 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 separate financial statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the details disclosed in Note (40-1) to the separate 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 Company's 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.

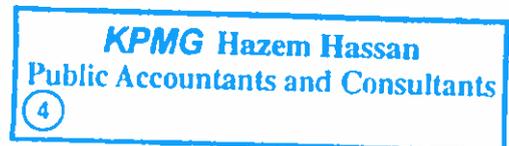
Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, the separate financial statements are in agreement thereto, the inventory was counted by management in accordance with methods in practice.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, February 26, 2026



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

	Note	31/12/2025	31/12/2024
	No.	L.E. (000)	Reclassified L.E. (000)
Assets			
Non current Assets			
Fixed assets and projects under construction	(16)	115 628 535	99 768 001
Intangible assets (licenses and frequencies)	(17)	18 060 816	19 503 636
Usufruct assets	(18)	9 011 209	7 863 182
Right of use assets (lease contracts)	(19-1)	760 435	840 204
Investments in subsidiaries and associates	(20)	6 695 189	6 653 574
Financial assets at FVOCI	(21)	112 828	120 476
Deferred tax assets	(33-3)	2 555 541	5 087 595
Non Current Assets		152 824 553	139 836 668
Current Assets			
Inventories	(22)	6 459 501	7 239 832
Trade and notes receivable	(23)	14 470 060	14 217 585
Current income tax	(33-6)	1 520 805	1 413 670
Debtors and other debit balances	(24)	6 177 154	5 698 739
Debit balances with subsidiaries	(37-1)	370 798	257 897
Financial assets at amortized cost-treasury bills		2 584 576	-
Cash and cash equivalents	(25)	6 646 016	6 968 984
Assets held for sale	(26)	2 449 845	-
Current Assets		40 678 755	35 796 707
Total Assets		193 503 308	175 633 375
Equity			
Capital	(31)	17 070 716	17 070 716
Reserves	(32)	6 214 439	6 081 041
Retained earnings		6 745 014	4 874 875
Total Equity		30 030 169	28 026 632
Non Current Liabilities			
Loans and credit facilities	(27)	35 325 509	38 411 459
Lease obligations	(19-2)	615 080	790 355
Creditors and other credit balances	(28)	31 766 004	22 578 825
Non Current Liabilities		67 706 593	61 780 639
Current Liabilities			
Short term Loans and credit facilities	(27)	38 433 287	43 064 604
Lease obligations	(19-2)	346 477	279 211
Creditors and other credit balances	(28)	35 054 815	32 073 368
Credit accounts to subsidiaries and associates	(37-1)	21 180 674	10 026 651
Provisions	(29)	751 293	382 270
Current Liabilities		95 766 546	85 826 104
Total Liabilities		163 473 139	147 606 743
Total Equity and Liabilities		193 503 308	175 633 375

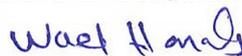
The attached notes on pages from (6) to (46) are an integral part of these separate financial statements.

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)
Separate Statement of Profit or Loss

	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>
<u>Contiued operations</u>			
Operating revenues	(5)	75 540 023	60 674 233
Operating costs	(6)	(50 043 460)	(42 218 996)
Gross Profit		25 496 563	18 455 237
Other income	(7)	4 327 724	3 346 863
Selling and distribution expenses	(8)	(5 541 548)	(4 762 886)
General and administrative expenses	(9)	(7 012 766)	(6 141 591)
Other expenses	(10)	(1 876 857)	(317 062)
Expected credit loss		(291 705)	(289 670)
Operating profit		15 101 411	10 290 891
Finance income		1 353 089	481 070
Finance cost		(13 674 333)	(15 824 868)
Net finance cost	(11)	(12 321 244)	(15 343 798)
Income from investments in subsidiaries and associates	(12)	5 909 139	6 639 709
Net profit for the year before income tax		8 689 306	1 586 802
Income tax	(33-1)	(3 107 072)	1 040 556
Net profit for the year from continued operations		5 582 234	2 627 358
<u>Discontinued Operations</u>			
Net profit for the year after income tax from discontinued operations	(13-1)	140 925	159 167
Net profit for the year		5 723 159	2 786 525
Basic and diluted earning per share for the year from continued operations (L.E. / Share)		2.55	0.87
Basic and diluted earning per share for the year from discontinued operations (L.E. / Share)		0.08	0.09
Basic and diluted earning per share for the year (L.E. / Share)	(15)	2.63	0.96

The attached notes on pages from (6) to (46) are an integral part of these separate financial statements.

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

	<u>For the financial year ended:</u>		
	Note	31/12/2025	31/12/2024
	<u>No</u>	<u>L.E.(000)</u>	<u>L.E.(000)</u>
Net profit for the year		5 723 159	2 786 525
<u>Other Comprehensive Income Items</u>			
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)
Total other comprehensive income items		(5 927)	28 702
Translation differences of foreign currency balances		-	(12 719 296)
Income tax on translation differences of foreign currency balances	(33-2)	-	2 861 842
		-	(9 857 454)
Transferred to retained earnings during the year		-	9 857 454
		-	-
Total Comprehensive Income		5 717 232	2 815 227

The attached notes on pages from (6) to (46) are an integral part of these separate financial statements.

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Separate Statement of Changes In Equity
For The Financial Year Ended December 31, 2025

	Capital	Legal reserve	Other reserves	Retained earnings	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>
Balance as of January 1, 2024	17 070 716	2 938 918	2 794 204	15 771 990	38 575 828
<u>Comprehensive income</u>					
Net profit for the year	-	-	-	2 786 525	2 786 525
Net change in fair value of financial assets at FVOCI	-	-	28 702	-	28 702
Total comprehensive income	-	-	28 702	2 786 525	2 815 227
Net impact of translation differences of foreign currency balances	-	-	-	(9 857 454)	(9 857 454)
Transferred to legal reserve	-	319 217	-	(319 217)	-
<u>Transactions with shareholders</u>					
Dividends for year 2023 (Shareholders)	-	-	-	(2 560 607)	(2 560 607)
Dividends for year 2023(Employees & Board of Directors)	-	-	-	(946 362)	(946 362)
Total transactions with shareholders	-	-	-	(3 506 969)	(3 506 969)
Balance as of December 31, 2024	17 070 716	3 258 135	2 822 906	4 874 875	28 026 632
Balance as of January 1, 2025	17 070 716	3 258 135	2 822 906	4 874 875	28 026 632
<u>Comprehensive income</u>					
Net profit for the year	-	-	-	5 723 159	5 723 159
Net change in fair value of financial assets at FVOCI	-	-	(5 927)	-	(5 927)
Total comprehensive income	-	-	(5 927)	5 723 159	5 717 232
Transferred to legal reserve	-	139 325	-	(139 325)	-
<u>Transactions with shareholders</u>					
Dividends for year 2024 (Shareholders)	-	-	-	(2 560 607)	(2 560 607)
Dividends for year 2024 (Employees & Board of Directors)	-	-	-	(1 153 088)	(1 153 088)
Total transactions with shareholders	-	-	-	(3 713 695)	(3 713 695)
Balance as of December 31, 2025	17 070 716	3 397 460	2 816 979	6 745 014	30 030 169

The attached notes on pages from (6) to (46) are an integral part of these separate financial statements.

Translation from Arabic

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

	Note No.	For the financial year ended:	
		31/12/2025 L.E.(000)	31/12/2024 L.E.(000)
<u>Cash flows from operating activities</u>			
Cash receipts from customers and notes receivable		51 593 389	41 082 820
Cash receipts from related party		25 264 025	15 007 946
Stamp tax and fees collected (from third party)		73 272	31 100
Deposits collected from customers		94 177	54 042
Cash paid to suppliers		(11 799 481)	(11 093 254)
Payments for NTRA		(4 058 288)	(3 572 225)
Cash paid to Board of Directors		(18 550)	(18 550)
Cash paid to employees		(9 229 592)	(7 693 531)
Cash paid on behalf of employees to third party		(1 400 831)	(1 306 662)
Payments to Tax Authority - Taxes other than income tax		(5 521 206)	(6 629 795)
Other Proceeds		96 696	2 161 144
Cash provided by operating activities		45 093 611	28 023 035
Interest paid		(13 032 557)	(10 552 087)
Payments to Tax Authority - income tax		(360 000)	(590 155)
Net cash provided by operating activities		31 701 054	16 880 793
<u>Cash flows from investing activities</u>			
Payments for purchase of fixed assets and projects under construction		(25 446 780)	(27 769 414)
Payments for purchase of intangible assets		(1 836 215)	(6 186 350)
Proceeds from compensations of fixed assets		200 000	-
Payments for acquisition of investments		(34 115)	(7 699)
Credit interest received		358 247	345 492
Dividends collected from investments		5 273 381	5 981 222
Payments for purchase of financial assets at amortized cost - treasury bills		(2 584 576)	-
Proceeds from financial assets at amortized cost - treasury bills income		168 120	70 679
Net cash used in investing activities		(23 901 938)	(27 566 070)
<u>Cash flows from financing activities</u>			
Payments of loans		(13 447 136)	(5 862 338)
Proceeds from loans		19 534 500	16 370 435
Net Payments of credit facilities		(11 155 815)	(445 255)
Payments of lease obligations		(391 465)	(314 173)
Payments of dividends to shareholders		(2 560 607)	(2 560 607)
Net cash (used in) / provided by financing activities		(8 020 523)	7 188 062
Net change in cash and cash equivalents during the year		(221 407)	(3 497 215)
Cash and cash equivalents at the beginning of the year	(25)	6 269 385	9 766 600
Cash and cash equivalents at the end of the year	(25)	6 047 978	6 269 385

The attached notes on pages from (6) to (46) are an integral part of these separate financial statements.

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

1-2 Purpose of the company

The main purpose of the company represents in the following:

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

1-3 Issuance of the separate financial statements

These separate financial statements as of December 31, 2025 were approved by the company's Board of Directors for issuance on February 25, 2026.

2. BASIS OF PREPERATION OF THE SEPARATE FINANCIAL STATEMENTS

2-1 Statement of compliance

- Separate financial statements as of December 31, 2025 have been prepared in accordance with Egyptian Accounting Standards and in the light of applicable Egyptian laws and regulations related to.
- The company's management during last year also applied the special accounting treatment to deal with the effects of the liberalization of exchange foreign rates contained in Appendix (E) of the Egyptian Accounting Standard No. (13) Amended "Effects of Changes in Foreign Currency Exchange Rates"

2-2 Basis of measurement

- These Separate Financial Statements have been prepared according to the historical cost basis, except for :
 - (A) Financial instruments that are recorded at fair value through profit or loss.
 - (B) Financial instruments that are recorded at fair value through other comprehensive income.
 - (C) Financial instruments that are recorded at amortized cost.
- Investment in subsidiaries and associates in Separate Financial Statements were presented on a cost basis which represent the company's direct share in equity, and not on the basis of results and net assets of the investee company. The Consolidated Financial Statements provide a more comprehensive understanding of the Consolidated Financial Position and results and Consolidated of cash flows for the company and its subsidiaries (the Group).
- For presentational purposes, the current and non-current classification has been used for the separate statement of Financial Position, while expenses are analysed in separate statement of profit or loss using a classification based on their function. The direct method has been used in preparing the separate statement of cash flows.

2-3 Functional and presentation currency

These separate financial statements are presented in Egyptian pound (L.E), which is the Company's functional currency. All financial information presented in "L.E" has been rounded to the nearest L.E Thousands unless otherwise stated.

2-4 Use of estimates and assumptions

The preparation of the separate 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 which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to 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 separate financial statements is included in the following notes:

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

2-5 Fair value measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the separate 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 company are managed by operating segments at the group activates level as integrated activity, based on the nature of product and the service provided and to be stated in the notes to the Separate financial statements. The segment reporting is prepared according to services provided by activities as a group as follows:

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

4. SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies set out below have been applied consistently to all periods presented in the Separate Financial Statements as of December 31, 2025.

Certain comparative figures have been reclassified to conform to the current presentation of the Separate Financial Statements (Note No.39).

4-1 CONSOLIDATED FINANCIAL STATEMENTS

- The company has subsidiaries and in accordance with Egyptian Accounting Standard No. (42) “Consolidated Financial Statements” and Article 188 of the Executive Regulations of Companies Law No. 159 of 1981, the company prepares consolidated financial statements for the company, where it is necessary to refer to them to obtain an understanding of the financial position, business results and cash flows for the company as a whole.

- Both the transferred consideration and the net value of the acquired assets that are identifiable at the time of acquisition are measured at fair value

- An annual impairment test is conducted for the goodwill resulting from the acquisition. Any profits from a negotiated purchase are immediately recognized in profit or loss (if any).

- Acquisition-related costs are treated as an expense in the periods in which the costs are incurred and the services are received with one exception, which is the issuance of securities in return for debt or equity.

- The transferred consideration does not include amounts paid to settle pre-existing relationships between the owner and owned entity; these amounts are usually recognized in profit or loss.

- The potential consideration is measured at fair value at the acquisition date and if the obligation to pay the potential consideration is satisfied. The specific terms of the definition of an equity instrument are classified within equity and are not premeasured, and the subsequent settlement is processed It has within equity, other than the foregoing, any other potential material consideration is re-measured at fair value on the date of preparation financial statements, recognizing any changes in the fair value within the profits.

4-2 Foreign currencies translation

Transactions in foreign currencies are translated to functional currencies of the company 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 Separate 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 (C) 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 assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.
- Where parts of an item of fixed assets have different useful lives, their depreciation is accounted for as separate items. Gains and losses on disposal of an item of fixed assets are determined by comparing the proceeds from disposal with the carrying amount of the assets and they are recognized in Separate 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 company and its cost can be measured reliably. The costs of the day-to-day servicing of fixed assets are recognized in Separate statement of profit or loss.

(C) Depreciation

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

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

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

4-4 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.

4-5 Other assets (intangible assets, Usufruct assets and right of use assets)

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

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

4-5-1 Licenses

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

4-5-2 Right of way and right of use

The company 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.

4-6 Investments in associate companies and subsidiaries

4-6-1 Investments in subsidiaries

Investments in subsidiaries are accounted for in the company's separate financial statements using the cost method, where investments in subsidiaries are recorded at acquisition cost less impairment. Impairment is estimated for each investment separately and is recognized in the statement of profit and loss. Subsidiaries are companies that the company controls when the investor has all of the following:

- Power over the investee
- Exposure or right to variable returns through its participation in the investee.
- The ability to use its power over the investee to affect the amount of returns it receives from it.

The company must reassess control over the investee if the facts and circumstances indicate that there are variables to one or more of the three elements of control mentioned above.

For subsidiaries (structured entities), there is no cost recognized in the Company's separate financial statements, so the nature and risks of these subsidiaries (structured entities) are disclosed in the Company's separate financial statements as related parties.

4-6-2 Investments in Associate Companies

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.

4-7 Financial Instruments

1) Recognition and initial measurement

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

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

2) Subsequent classifications and measurement

Financial Assets

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and has not been designated at fair value through profit or loss:

- If the retention of these assets is within the management's business model for the purpose of collecting future cash flows.
- If the contractual terms of these financial assets specify a specific date for the cash flows (principal and interest on the remaining unpaid principal amount).

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

Translation from Arabic

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

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

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

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

Financial Assets - Business Model Evaluation

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

- The 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 Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could

Notes to the separate financial statements

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

Translation from Arabic

change the timing or amount of contractual cash flows such that it would not meet this condition. In making this evaluation, the Company considers the following:

- Emergency events that change the amount or timing of cash flows;
- Terms that may modify the contractual coupon rate, including the attributes of the variable rate;
- Advance payment and extension features.
- And the conditions that limit the company's claim to cash flows from specific assets (for example, attributes of a non-recourse right).

The description of a cash payment corresponds to payments of principal and interest only if the amount of the advanced payments is substantially representing the unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination. In addition, for a financial asset obtained at a discount or premium to its contractual amount, which permits or requires advanced payments by an amount substantially more than the nominal amount plus the contractual accrued interest (but not paid) (which may also include reasonable additional amounts Compensation for early termination) in accordance with this standard if the fair value of the prepayment is immaterial on initial recognition.

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

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

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

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

3) Derecognition

Financial assets

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

Notes to the separate financial statements

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

Translation from Arabic

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 obligations

The company excludes the financial obligation when it ends either by getting rid of it or canceling it or the expiry of its period mentioned in the contract. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified obligations are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

4) Offsetting

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

4-8 Inventories

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

4-9 Trade receivables, debtors and other debit balances

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

4-10 Impairment

1) Non-derivative financial assets

Financial instruments and assets arising from the contract

The Company recognizes loss allowances for expected credit losses for:

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

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

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

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and known credit assessment including forward-looking information.

The company assumes that the credit risk of a financial asset has increased significantly. If it had been due for collection for more than 30 days.

Notes to the separate financial statements

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

Translation from Arabic

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

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

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

- The financial asset has been out for along time according to the nature of each asset.

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

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

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

Measuring expected credit losses

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

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

Credit impaired financial assets

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

Evidence that financial assets are credit impaired includes observable data:

- Significant financial difficulty for the lender or issuer and.

- Violation of the contract such as failure or being overdue

- the restructuring of a loan or an advance by the company on terms that the company will not take into account in one way or another; And the

- the borrower is likely to enter bankruptcy or other financial reorganization; or

- The disappearance of an active stock market due to financial difficulties.

Presenting the provision for expected credit losses in the statement of financial position

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

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

Debt write-offs

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

Non-financial assets

At the end of each financial year, the Company reviews the carrying amounts of the Company's non-financial assets other than inventories, work in progress and deferred tax assets to determine whether there is an indication of impairment. If so, the Company makes an estimate of the asset's recoverable amount.

To test for impairment, assets are grouped together into the smallest group of assets that includes the asset and that 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 cash-generating unit is the higher of its fair value less costs to sell and its value in use. The value in use of an asset is the present value of estimated future cash flows 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 cash-generating unit

An impairment loss is recognized if the carrying amount of an asset or cash-generating unit is greater than its recoverable amount.

An impairment loss is recognized in profit or loss. It is allocated first to reduce the carrying amount of goodwill allocated to the

Notes to the separate financial statements

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

Translation from Arabic

cash-generating unit, and then to reduce the other assets of the unit proportionately on the basis of the carrying amount of each asset in the unit. An impairment loss for goodwill is not reversed in a subsequent period for other assets. Impairment losses are reversed to the extent that the carrying amount that would have been determined, net of depreciation and amortization, unless impairment loss had been recognized for the asset in prior years

4-11 Provisions

The provisions are recognized as a result of a past event where the company has a legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated. Provisions are reviewed at the reporting date and amended when necessary to reflect the best current estimate.

4-12 Cash and cash equivalents

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

4-13 Cost of Borrowing

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

4-14 Borrowing with interest

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

4-15 Grants

Grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the company 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.

4-16 Creditors and other credit balances

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

4-17 Expenses

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

4-18 Net financing income / (cost)

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.

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

Translation from Arabic

4-19 Employees benefits

The company contributes inside Egypt the social insurance under the Authority for the benefit of its personnel in pursuance to the Social Insurance Authority law No. 79 of 1975 and its amendments. These contributions are recorded in the "Wages and Salaries account" in addition to the early retirement scheme applied from September 1, 2001 and The company's contribution in loyalty and belonging fund and medical insurance system for retired employees.

4-20 lease contracts

4-20-1 As lessee

Recognition

When the contract is established, the company 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 of time in exchange for a consideration.

Measuring usufruct assets

On the start date of the lease contract, the company measures the right-of-use asset 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 company 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.

4-20-2 As a lessor

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

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

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

Translation from Arabic

To classify each lease contract, the Company 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 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 company 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 company 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 company applies Egyptian Accounting Standard No. 48 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in Egyptian Accounting Standard No. 47 to the net investment in the lease contract. The company then periodically reviews the estimated remaining unguaranteed values used to calculate the total investment in the lease contract On a regular basis. The Company recognizes lease payments received under operating leases as revenue on a straight-line basis over the lease term as part of other income.

4-21 Revenue from contracts with customers

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

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that includes more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that

specifies the amount in exchange for the contract that the company expects to receive in exchange for fulfilling each performance obligation.

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

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

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

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

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

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

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

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

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

Fulfillment of performance obligations

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

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

Set transaction prices

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

Transfer of control in contracts with customers

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

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

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

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

Other things to take into consideration

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

Important financing component

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

Revenue recognition

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

Services revenue:

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

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.

Notes to the separate financial statements

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

Translation from Arabic

Dividend income

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

Investment income

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

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

4-22 Earnings per share

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

4-23 Reserves

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

4-24 Income tax

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 stand alone 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 stand alone financial statements and the tax bases for those assets and liabilities used in calculating tax profit and is accounted for using the position liabilities method.

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.

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.

4-25 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.

4-26 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.

4-27 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.

4-28 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

4-28-1 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 company's trade and other debtors.

Trade receivable & other debtors

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

Most of company'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 company conducts transactions and deposits funds with financial institutions with high investment grade.

Notes to the separate financial statements

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

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4-28-2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company'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 company's reputation. The company 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.

4-28-3 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 company'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 company is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of the company, primarily the U.S. Dollars (USD) and Euro. In respect of monetary assets and liabilities denominated in foreign currencies, the company 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 company 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 company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company 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 company'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 company, the company'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 company's investment strategy is to maximize investment returns and the management consults external advisors in this regard.

4-28-4 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company 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 company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

5. OPERATING REVENUES

For the financial year ended:

	31/12/2025	31/12/2024
	L.E. (000)	L.E. (000)
Home and personal communications	12 988 656	9 309 227
Enterprise	3 611 322	3 550 262
Domestic wholesale	27 430 285	22 345 689
International carriers	17 881 735	14 105 392
International cables and networks	13 628 025	11 363 663
	75 540 023	60 674 233

6. OPERATING COSTS

For the financial year ended:

	Note	31/12/2025	31/12/2024
	No.	L.E. (000)	L.E. (000)
Call cost		15 792 217	12 974 138
Depreciation	(16)	12 808 777	11 178 063
Amortization of intangible assets (licenses and frequencies)	(17)	1 776 370	1 557 077
Amortization of usufruct assets	(18)	369 459	604 656
Amortization of right of use assets (lease contracts)	(19-1)	155 476	139 197
Salaries and wages		4 612 886	4 127 797
Company's social insurance contribution		394 744	345 945
Employees vacations allowance		6 560	15 206
Frequencies and licences charges (NTRA)		3 588 761	2 933 143
Fuel		1 897 522	1 516 719
Right of use (IRU) outside Egypt - leased circuits		2 367 894	1 732 062
Cost of merchandise available for sale		378 770	231 409
Spare parts		994 892	688 890
Maintenance		1 719 156	1 508 292
Organizations services costs		1 532 386	1 356 266
Company's call costs		358 520	191 575
Electricity and water		101 872	83 627
Transportation cost		265 674	201 539
Materials, supplies and miscellaneous printed		115 157	106 847
Other operating costs		806 367	726 548
		50 043 460	42 218 996

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

Translation from Arabic

7. OTHER INCOME

For the financial year ended:

	31/12/2025	31/12/2024
	L.E. (000)	L.E. (000)
Shared revenues (SSC)	1 767 888	1 548 968
Right of use trademark	1 354 224	940 435
Fines and earned delay interest	102 121	175 466
Unoperational assets revenues	340 222	223 106
Sundry revenues	763 269	458 888
	4 327 724	3 346 863

8. SELLING AND DISTRIBUTION EXPENSES

For the financial year ended:

	Note	31/12/2025	31/12/2024
	No	L.E. (000)	L.E. (000)
Salaries and wages		2 115 945	1 890 292
Company's social insurance contribution		161 505	144 936
Employees vacations allowance		3 040	7 047
Depreciation	(16)	27 629	17 370
Amortization of right of use assets (lease contracts)	(19-1)	40 231	29 598
Tax and duties		24 321	28 185
Advertising and Marketing		767 249	682 841
Organizations services cost		1 324 452	1 063 279
Agent's commissions and collection contracts		787 822	733 871
Other selling and distribution expenses		289 354	165 467
		5 541 548	4 762 886

9. GENERAL AND ADMINISTRATIVE EXPENSES

For the financial year ended:

	Note	31/12/2025	31/12/2024
	No.	L.E. (000)	L.E. (000)
Salaries and wages		3 976 885	3 187 178
Company's social insurance contribution		258 896	220 017
Employees vacations allowance		8 952	14 835
End of service compensation	(14-1)	166 149	573 718
Takaful contribution expense		185 174	161 214
Information technology industry development authority expense		316 864	284 110
The company's contribution in loyalty and belonging fund	(14-2)	250 000	260 000
Depreciation	(16)	27 791	29 234
Amortization of right of use assets (lease contracts)	(19-1)	40 010	60 903
Tax and duties		343 164	207 211
Organizations services cost and consultants		942 241	804 990
Bank charges		46 064	69 900
Other general and administrative expenses		450 576	268 281
		7 012 766	6 141 591

10. OTHER EXPENSES

	<u>Note</u> <u>No.</u>	<u>For the financial year ended:</u>	
		<u>31/12/2025</u> <u>L.E. (000)</u>	<u>31/12/2024</u> <u>L.E. (000)</u>
Provisions	(29)	442 829	108 827
Capital losses		1 316 790	13 034
Donations		105 223	193 255
Other expenses		12 015	1 946
		<u>1 876 857</u>	<u>317 062</u>

11. NET FINANCE COST

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u> <u>L.E. (000)</u>	<u>31/12/2024</u> <u>L.E. (000)</u>
<u>Finance income</u>		
Credit interest income	396 795	364 729
Treasury bills income	168 120	70 679
Income from prepaid income tax	37 463	29 139
Net translation gain of foreign currencies balances and transactions	729 833	-
Reverse of impairment in financial investments	7 500	-
<u>Income from financial assets at FVOCI</u>		
Civil Information Technology Co.	1 465	1 395
Egyptian Company for tracking & information technology	2 026	4 698
Arabsat	9 887	10 430
Total finance income	<u>1 353 089</u>	<u>481 070</u>
<u>Finance costs</u>		
Interest expense	(12 826 709)	(10 867 968)
Finance cost for credit contracts	(847 624)	(572 761)
Net translation loss of foreign currencies balances and transactions	-	(4 384 139)
Total finance cost	<u>(13 674 333)</u>	<u>(15 824 868)</u>
Net finance cost	<u>(12 321 244)</u>	<u>(15 343 798)</u>

12. INCOME FROM INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

	<u>For the financial year ended:</u>	
	<u>31/12/2025</u> <u>L.E. (000)</u>	<u>31/12/2024</u> <u>L.E. (000)</u>
<u>12-1 Income from investment in subsidiaries</u>		
WE Data	3 000 000	3 002 000
The Egyptian Telecommunication Company for information systems (Xceed)	312 500	125 000
Centra Technology Company (Centra)	61 699	8 814
Middle East Radio Communications (Merc)	5 614	5 646
<u>12-2 Income from investment in associates</u>		
Vodafone Egypt Telecommunications Company (VFE)	2 477 474	3 472 323
Egypt trust	51 852	25 926
	<u>5 909 139</u>	<u>6 639 709</u>

This income is represented in the company's share in the cash dividends from investment in associates and subsidiaries according to the resolutions of the General Assembly of investees.

13- DISCONTINUED OPERATIONS

13-1 Results of discontinued operations

	For the financial year ended:	
	<u>31/12/2025</u>	<u>31/12/2024</u>
Revenues	228 253	259 963
Expenses	(31 766)	(25 387)
Depreciations	(14 648)	(29 200)
Net profit for the year before tax from discontinued operations	<u>181 839</u>	<u>205 376</u>
Income tax	(40 914)	(46 209)
Net profit for the year after tax from discontinued operations	<u>140 925</u>	<u>159 167</u>

13-2 Cash flows from discontinued operations

	For the financial year ended:	
	<u>31/12/2025</u>	<u>31/12/2024</u>
Net cash provided by operating activities	193 548	234 835
Net cash used in investing activities	<u>(538 063)</u>	<u>(958 392)</u>
Cash and cash equivalents at the end of the year	<u>(344 515)</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. 40-2).

14. EMPLOYEE'S BENEFITS

14.1 End of service compensation

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

First: The important conditions of end of service compensation

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

Second: The most important benefits of end of service compensation

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

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Translation from Arabic

- Enjoying medical insurance system for employees and their families for three years or until the age of sixty whichever is the earliest.
- Enjoying the benefit of telecommunication services for employees for three years or until the age of sixty whichever is the earliest.

The company's manpower planning committee has considered the applications for end of service compensation submitted by employees to enroll in the system to determine the extent to which those applications meet the conditions and whether the company needs the applicant employee or not, the said committee has completed the study of all the applications submitted by the employees of the company, and based on its recommendations and after obtaining all the necessary approvals, an administrative orders have been issued for the end of the service of employees whose meet the requirements of the above scheme Currently, the said committee has prepared the study of all the applications submitted to it by the employees of the company, issuing its recommendations and preparing the final reports of the results of its works in order to determine all the liabilities that the company will bear as a result of the application of the end of service compensation scheme, the company's liabilities as a result of implementation of this scheme amounted to L.E. 166 149 K for the year ended in 31 December 2025 (against an amount of L.E.573 718 K for year ended in 31 December 2024) (Note no 9).

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 which is based on the employees' basic monthly salary in the company.
- The employees share in loyalty & belonging fund according to constant subscription are based on the same employees' basic salary where the end of service benefit calculated. The company's share represents annual defined contribution 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 the year 2024) (Note No.9).

15. BASIC AND DILUTED EARNING 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)	5 582 234	2 627 358
Net profit for the year from discontinued operations (LE in thousand)	140 925	159 167
Net profit for the year	<u>5 723 159</u>	<u>2 786 525</u>
<u>Less:</u>		
Employees' share in profit (LE (000))*	1 212 421	1 134 537
Board of directors share in profit*	20 405	18 550
Net profit for the year available for distribution (L.E. (000))	<u>4 490 333</u>	<u>1 633 438</u>
Number of shares available during the year (share)	1707 071 600	1707 071 600
Basic and diluted earnings per share for the year from continued operations (LE / share)	2.55	0.87
Basic and diluted earnings per share for the year from discontinued operations (LE / share)	0.08	0.09
Basic and diluted earnings per share for the year (LE / share)	<u>2.63</u>	<u>0.96</u>

* According to Board of Directors proposal to be presented in the General Assembly for approval.

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Translation from Arabic

16- FIXED ASSETS AND PROJECTS UNDER CONSTRUCTION

	Land	Buildings & Infrastructure	Technical equipment & information technologies	Vehicles	Furniture	Tools & supplies	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>	<u>L.E. (000)</u>
Cost as at January 1, 2024	2 386 374	52 962 930	45 804 384	299 271	575 886	269 110	16 806 132	119 104 087
Additions during the year	-	-	-	-	-	-	29 130 880	29 130 880
Transfer during the year	11 182	10 769 465	13 392 961	76 886	134 797	50 311	(24 435 602)	-
The effect of currency differences resulting from balances in foreign currencies	-	972 541	3 491 635	-	-	-	1 058 837	5 523 013
Disposals during the year	-	(161 866)	(867 623)	(1 172)	(7 860)	(4 868)	-	(1 043 389)
Cost as at December 31, 2024	2 397 556	64 543 070	61 821 357	374 985	702 823	314 553	22 560 247	152 714 591
Additions during the year	-	-	-	-	-	-	32 641 575	32 641 575
Transfer during the year	-	13 857 641	14 505 415	258 075	48 200	44 802	(28 714 133)	-
Transfer to assets held for sale	-	(97 663)	(409 548)	-	(57)	(63)	(2 064 856)	(2 572 187)
Disposals during the year	-	(545 316)	(5 830 531)	(2 944)	(33 338)	(16 208)	-	(6 428 337)
Cost as at December 31, 2025	2 397 556	77 757 732	70 086 693	630 116	717 628	343 084	24 422 833	176 355 642
Accumulated depreciation as at January 1, 2024	-	22 506 438	19 459 411	136 173	410 604	190 144	-	42 702 770
Depreciation for the year	-	2 929 045	8 220 636	28 288	52 678	23 220	-	11 253 867
Accumulated depreciation for disposals	-	(130 008)	(866 151)	(1 167)	(7 855)	(4 866)	-	(1 010 047)
Accumulated depreciation as at December 31, 2024	-	25 305 475	26 813 896	163 294	455 427	208 498	-	52 946 590
Depreciation for the year	-	3 441 013	9 298 379	41 829	61 506	36 118	-	12 878 845
Transfer to assets held for sale	-	(7 813)	(114 495)	-	(15)	(19)	-	(122 342)
Accumulated depreciation for disposals	-	(342 826)	(4 582 117)	(1 695)	(33 149)	(16 199)	-	(4 975 986)
Accumulated depreciation as at December 31, 2025	-	28 395 849	31 415 663	203 428	483 769	228 398	-	60 727 107
Net carrying amounts as at December 31, 2025	2 397 556	49 361 883	38 671 030	426 688	233 859	114 686	24 422 833	115 628 535
Net carrying amounts as at December 31, 2024	2 397 556	39 237 595	35 007 461	211 691	247 396	106 055	22 560 247	99 768 001

- Cost of fixed assets and Projects under construction on December 31, 2025 includes an amount of L.E. 15 922 Million (against an amount of L.E. 13 956 million for year 2024) 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.40-1)

- Some items of fixed assets and projects under construction have been transferred to assets held for sale (Note no. 26).

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

	Note No.	2025 <u>L.E. (000)</u>	2024 <u>L.E. (000)</u>
Operating costs	(6)	12 808 777	11 178 063
Selling and distribution expenses	(8)	27 629	17 370
General and administrative expenses	(9)	27 791	29 234
Discontinued Operations	(13-1)	14 648	29 200
		12 878 845	11 253 867

17. Intangible assets (licenses and frequencies)

	Licenses granted for mobile services	Data centers and cloud computing license	Projects under construction	Total
	<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	-	-	19 405 695
Additions during the year	-	-	4 756 863	4 756 863
Disposal during the year	(205 744)	-	-	(205 744)
The effect of currency differences resulting from balances in foreign currencies	1 531 906	-	-	1 531 906
Transferred during the year	133 001	3 862	(136 863)	-
Cost at December 31, 2024	20 864 858	3 862	4 620 000	25 488 720
Additions during the year	-	-	333 550	333 550
Transferred during the year	4 953 550	-	(4 953 550)	-
Cost at December 31, 2025	25 818 408	3 862	-	25 822 270
Accumulated amortization as at January 1, 2024	4 440 866	-	-	4 440 866
Amortization for the year	1 556 819	258	-	1 557 077
Accumulated amortization for disposals	(12 859)	-	-	(12 859)
Accumulated amortization as at December 31, 2024	5 984 826	258	-	5 985 084
Amortization for the year	1 776 112	258	-	1 776 370
Accumulated amortization as at December 31, 2025	7 760 938	516	-	7 761 454
Net carrying amounts as at December 31, 2025	18 057 470	3 346	-	18 060 816
Net carrying amounts as at December 31, 2024	14 880 032	3 604	4 620 000	19 503 636

- Amortization expenses, charges to operating costs (Note no. 6)

18- USUFRUCT ASSETS

	Usefruct Projects	Submarine cables	Land (Possession)	Right Of Way National	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>
Cost as at January 1, 2024	1 888 239	2 763 021	440 684	758 732	2 014 493	7 865 169
Additions during the year	-	-	-	-	1 996 376	1 996 376
The effect of currency differences resulting from balances in foreign currencies	48 911	227 853	-	-	45 846	322 610
Transferred during the year	661 958	1 254 780	115 653	-	(2 032 391)	-
Disposals during the year	-	(188 860)	-	(1 729)	-	(190 589)
Cost at December 31, 2024	2 599 108	4 056 794	556 337	757 003	2 024 324	9 993 566
Additions during the year	-	-	-	-	1 715 921	1 715 921
Transferred during the year	559 441	660 895	68 636	-	(1 288 972)	-
Disposals during the year	-	(280 512)	-	-	-	(280 512)
Cost at December 31, 2025	3 158 549	4 437 177	624 973	757 003	2 451 273	11 428 975
Accumulated amortization as at January 1, 2024	86 413	1 170 347	-	290 019	-	1 546 779
Amortization for the year	285 820	248 245	8 374	62 217	-	604 656
Accumulated amortization for disposals	-	(20 822)	-	(229)	-	(21 051)
Accumulated amortization as at December 31, 2024	372 233	1 397 770	8 374	352 007	-	2 130 384
Amortization for the year	129 617	163 376	14 301	62 165	-	369 459
Accumulated amortization for disposals	-	(82 077)	-	-	-	(82 077)
Accumulated amortization as at December 31, 2025	501 850	1 479 069	22 675	414 172	-	2 417 766
Net carrying amounts as at December 31, 2025	2 656 699	2 958 108	602 298	342 831	2 451 273	9 011 209
Net carrying amounts as at December 31, 2024	2 226 875	2 659 024	547 963	404 996	2 024 324	7 863 182

- Cost of usufruct assets on December 31, 2025 includes an amount of L.E. 370 Million (against an amount of L.E. 429 million for the year 2024) fully depreciated assets and still in use.

- Amortization charged in operating costs (Not no.6)

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	1 711 181	1 393 667
Additions	191 039	317 514
Disposals	(54 927)	-
Cost at ending balance	<u>1 847 293</u>	<u>1 711 181</u>
Accumulated amortization at beginning balance	870 977	641 279
Amortization for the year	235 716	229 698
Disposals	(19 835)	-
Accumulated amortization at ending balance	<u>1 086 858</u>	<u>870 977</u>
Net carrying amount for right of use assets	<u>760 435</u>	<u>840 204</u>

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
<u>Amortization expense is distributed as follows:</u>		
no		
Operating Costs	(6) 155 476	139 197
Selling and distribution expenses	(8) 40 231	29 598
General and administrative expenses	(9) 40 010	60 903
	<u>235 717</u>	<u>229 698</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	1 069 566	920 738
Additions	191 039	317 514
Disposals	(48 882)	-
Payments	(391 465)	(314 173)
Interest	141 299	145 487
Net present value for lease obligations resulting from right of use	<u>961 557</u>	<u>1 069 566</u>

Distributed as follows

Current Lease obligations	<u>346 477</u>	<u>279 211</u>
Non Current Lease obligations	<u>615 080</u>	<u>790 355</u>

Notes to the separate financial statements

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

Translation from Arabic

20. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Note No.	31/12/2025		31/12/2024	
		Ownership	Amount	Ownership	Amount
		%	L.E. (000)	%	L.E. (000)
20-1 Investments in subsidiaries					
- Telecom Egypt France (TE France)		100.00	69 220	100.00	69 220
- TE Infraco Limited***		100.00	25 115	-	-
- WE Data		99.99	252 461	99.99	252 461
- TE Investment Holding		99.99	39 998	99.99	39 998
- Middle East and North Africa Cables		99.00	275 277	99.00	275 277
- TE for sports investments****		98.00	9 996	98.00	996
- Egyptian Telecommunication for Information System (Xceed)		97.66	31 250	97.66	31 250
- Centra Technology (centra)		58.76	14 737	58.76	14 737
- Middle East Radio Communication (Merc)**		49.00	7 350	49.00	7 350
20-2 Investments in associates					
- Wataneya for Telecommunications		50.00	125	50.00	125
- Vodafone Egypt Telecommunications Company		44.95	5 960 054	44.95	5 960 054
- Egypt Trust		35.71	10 000	35.71	10 000
			6 695 583		6 661 468
Less:					
Impairment loss on investments of subsidiaries and associates* (30)			394		7 894
			6 695 189		6 653 574

* Impairment loss on investments of subsidiaries and associates is formed for Telecom Egypt France (TE France) by an amount of L.E 269 K and Wataneya for Telecommunications by an amount of L.E. 125 K.

**The company's direct and indirect share in Middle East Radio Communication (Merc) on December 31, 2025 is 51%.

***TE Infraco Limited company was established in United Arab of Emirates with capital \$ 500 K.

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

21-FINANCIAL ASSETS AT FVOCI

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

22. INVENTORIES

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Spare parts	1 805 748	1 459 372
Material supplies, Merchandise for sale	4 635 468	5 757 085
Others	18 285	23 375
	<u>6 459 501</u>	<u>7 239 832</u>

Inventory's value was written down by L.E. 152 861 K (against L.E. 97 151 K at December 31, 2024) for obsolete and slow-moving items deducted directly from the cost of each type of inventory (Note no. 30).

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. 40-1)

23. TRADE AND NOTES RECEIVABLES

	Note	31/12/2025	31/12/2024
	<u>No.</u>	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Trade Receivables - National		5 220 850	5 609 491
Trade Receivables - International		12 070 482	11 153 944
		<u>17 291 332</u>	<u>16 763 435</u>
<u>Less:</u>			
Expected credit loss provision	(30)	3 095 264	2 933 536
<u>Add:</u>			
Notes receivables		273 992	387 686
		<u>14 470 060</u>	<u>14 217 585</u>

24. DEBTORS AND OTHER DEBIT BALANCES

	Note	31/12/2025	31/12/2024
	No.	L.E. (000)	L.E. (000)
Suppliers – debit balances		633 964	1 113 834
Deposits with others		331 298	322 354
Accrued revenues		136 397	31 686
Tax Authority – value added tax		795 527	539 777
Due from external collection agencies		283 259	227 648
Due from Ministries, organizations and companies		1 922 724	1 384 501
Temporary debts due from employees		1 212 421	1 134 537
Other debit balances		954 901	956 562
		6 270 491	5 710 899
Less:			
Expected credit loss provision	(30)	93 337	12 160
		6 177 154	5 698 739

25. CASH AND CASH EQUIVALENTS

	Note	31/12/2025	31/12/2024
	No.	L.E. (000)	L.E. (000)
Banks - time deposits (less than 3 months)		2 291 721	2 028 366
Banks - current accounts		3 837 160	4 938 224
Cash on hand		1 961	2 394
Financial assets at amortized cost - Treasury bills (less than 3 months)		515 174	-
Cash and cash equivalents		6 646 016	6 968 984
Less:			
Restricted cash and cash equivalents	(35)	598 038	699 599
Cash and cash equivalents as per cash flows statement		6 047 978	6 269 385

26- ASSETS HELD FOR SALE

	31/12/2025	31/12/2024
	L.E. (000)	L.E. (000)
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.40-2)

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

Translation from Arabic

27- LOANS AND CREDIT FACILITIES

Description	Loan currency and credit facilities	Long term loan	Long term loan	Balance	Balance	Long term loan	Long term loan	Balance	Balance	Annual	Payment schedule
		installments due	installments due within	as of	as of	installments due	installments due within	as of	as of	interest	
		within one year	more than one year	31/12/2025	31/12/2025	within one year	more than one year	31/12/2024	31/12/2024	rate	
		L.E. (000)	L.E. (000)	L.E. (000)	(000)	L.E. (000)	L.E. (000)	L.E. (000)	(000)	%	
Foreign Loans	U.S.\$	10 838 455	19 587 619	30 426 074	638 533	11 364 627	27 347 380	38 712 007	761 598	Variable interest rate	Quarter installments ending on Nov, 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 June, 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 Nov, 2031
Foreign suppliers' facilities	EURO	4 422	-	4 422	79	4 183	-	4 183	79	5.5%	
Bank facilities	LE	21 353 382	-	21 353 382	21 353 382	26 239 588	-	26 239 588	26 239 588	Variable interest rate	multiple dates
Bank facilities	U.S.\$	3 078 986	-	3 078 986	64 617	5 337 732	4 259 941	9 597 673	188 819	Variable interest rate	Ending on Dec, 2026
		38 433 287	35 325 509	73 758 796		43 064 604	38 411 459	81 476 063			

* Reclassification was made to comparative figure as shown in note No. (39-1).

28. CREDITORS AND OTHER CREDIT BALANCES

	Note <u>No.</u>	31/12/2025	31/12/2024
		<u>L.E. (000)</u>	<u>Reclassified</u> <u>L.E. (000)</u>
Suppliers		5 805 532	4 120 704
Tax Authority (taxes other than income tax)		454 773	441 314
Deposits from others		1 239 044	1 047 358
Assets creditors		35 262 006	30 703 025
Accrued expenses		2 048 022	1 738 150
Trade receivables - credit balances		1 798 567	1 409 813
Credit balances - organizations and companies		970 884	992 998
Contract liabilities*		13 822 914	9 809 803
National Telecommunication Regulatory Authority (NTRA)		3 612 197	2 674 088
Public authority for social Insurance		91 773	84 196
Other credit balances		1 715 107	1 630 744
		66 820 819	54 652 193
<u>Balances due within more than one year:</u>			
Assets creditors		22 768 788	16 181 381
Contract liabilities*		8 997 216	6 397 444
Non current creditors and other credit balances		31 766 004	22 578 825
Current creditors and other credit balances		35 054 815	32 073 368
Total creditors and other credit balances		66 820 819	54 652 193

* Reclassification was made to comparative figure as shown in note No. (39-1).

***Contract liabilities**

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Transmission systems for mobile and internet companies	863 372	746 924
Circuits lease	852 211	486 680
Mobile services	1 439 961	1 128 239
Cabels operating and maintenance services	524 010	918 338
Contract liabilities	9 089 766	6 523 487
International services (customers outside egypt)	1 047 950	-
customers compensations	5 644	6 135
	13 822 914	9 809 803

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

Translation from Arabic

29. PROVISIONS

<u>Claims and liabilities provision Others</u>	<u>Note No.</u>	Balance as of 1/1/2025 <u>L.E. (000)</u>	Charged to profit or loss statement during the year <u>L.E. (000)</u>	Used during the year <u>L.E. (000)</u>	Balance as of 31/12/2025 <u>L.E. (000)</u>
Expected liabilities provision	(10)	382 270	442 829	(73 806)	751 293
		<u>382 270</u>	<u>442 829</u>	<u>(73 806)</u>	<u>751 293</u>

* Claims provision is related to contingent tax liabilities, lawsuits and compensation in respect of contracts with other.

30. IMPAIRMENT LOSS ON ASSETS

	<u>Note No.</u>	Balance as of 1/1/2025 <u>L.E. (000)</u>	Charged to profit or loss statement <u>L.E. (000)</u>	Reverse of Impairment on profit or loss statement <u>L.E. (000)</u>	Used during the year <u>L.E. (000)</u>	Balance as of 31/12/2025 <u>L.E. (000)</u>
Impairment loss on investments in subsidiaries and associates	(20)	7 894	-	(7 500)	-	394
Write-down of Inventories	(22)	97 151	55 710	-	-	152 861
Expected credit loss on trade receivables*	(23)	2 933 536	210 528	-	(48 800)	3 095 264
Expected credit loss on debtors and other debit balances*	(24)	12 160	81 177	-	-	93 337
		<u>3 050 741</u>	<u>347 415</u>	<u>(7 500)</u>	<u>(48 800)</u>	<u>3 341 856</u>

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

32. RESERVES

	31/12/2025	31/12/2024
	<u>L.E. (000)</u>	<u>L.E. (000)</u>
Legal reserve	3 397 460	3 258 135
General reserve*	2 762 626	2 762 626
Revaluation reserve of investments of financial assets at fair value through OCI	29 429	35 356
Other reserve	24 924	24 924
	<u>6 214 439</u>	<u>6 081 041</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 and building items during the years from 2005 to 2020 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 Recognized items in statement of 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	(1 835 341)	(1 273 061)
Deferred tax	(1 271 731)	2 313 617
	<u>(3 107 072)</u>	<u>1 040 556</u>

33-2 Recognized items 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	1 262 044	640 554
Income tax on translation differences of foreign currency balances	(1 262 044)	2 221 288
Income tax on net change in fair value of financial assets at FVOCI	1 721	(8 332)
	<u>1 721</u>	<u>2 853 510</u>

33-3 Recognized deferred tax assets and liabilities

	<u>31/12/2025</u>		<u>31/12/2024</u>	
	<u>Assets</u> <u>L.E. (000)</u>	<u>(Liabilities)</u> <u>L.E. (000)</u>	<u>Assets</u> <u>L.E. (000)</u>	<u>(Liabilities)</u> <u>L.E. (000)</u>
Fixed assets and projects under construction	-	(1 629 696)	-	(1 544 614)
Intangible assets and usufruct assets	-	(763 527)	-	(661 605)
Foreign currency differences	4 884 440	-	7 230 186	-
Impairment loss on investments of financial assets at FVOCI	1 776	(6 612)	1 776	(8 332)
Write-down of inventories	34 394	-	21 859	-
Expected credit loss on trade receivables and debtors and other debit balances	4 064	-	22 643	-
Provisions	3 954	-	3 111	-
Accrued liabilities	26 748	-	22 571	-
Total deferred tax asset \ (liability)	4 955 376	(2 399 835)	7 302 146	(2 214 551)
Net deferred tax asset	2 555 541	-	5 087 595	-
Deferred tax charged to the profit or loss statement for the year	-	(2 532 054)	4 526 573	-
Deferred tax in the statement of profit or loss of the year	-	(1 271 731)	2 313 617	-
Deferred tax in the statement of comprehensive income for the year	-	(1 260 323)	2 212 956	-

33-4 Unrecognized deferred tax assets

	<u>31/12/2025</u> <u>L.E. (000)</u>	<u>31/12/2024</u> <u>L.E. (000)</u>
Expected credit loss on trade receivables	692 370	655 179
Expected credit loss on debtors and other debit balances	21 000	2 736
Change in Investments in financial assets at fair value through OCI	9 006	9 006
	722 376	666 921

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 income 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	9 066 145	1 792 178
Income tax according to the current tax law (22.5%)	2 039 883	403 240
Tax on dividends from subsidiaries and associates	614 211	678 716
Add / (Less):		
Exempted investments income	(625 524)	(1 302 184)
Provisions and Impairment on financial assets and inventory	171 602	(3 806)
Capital Losses	302 573	-
Foreign currency balance translation differences	375 923	(1 563 969)
Adjustments on other items	269 318	793 656
	<u>493 892</u>	<u>(2 076 303)</u>
Income tax	<u>3 147 986</u>	<u>(994 347)</u>
Effective tax rate	<u>34.72%</u>	<u>(55.48%)</u>

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	-	-
Less:		
Advanced payments	1 514 030	935 067
Tax Authority - Debit Balances	-	258 172
Tax Authority - Withholding Tax	6 775	220 431
	<u>1 520 805</u>	<u>1 413 670</u>

34. CAPITAL COMMITMENTS

The company's capital commitments Regarding letters of credit for the purchase of fixed assets and projects under construction for the unexecuted parts of contracts until December 31, 2025, L.E 3 738 million (against L.E. 2 026 million as at December 31, 2024).

35. CONTINGENT LIABILITIES

In addition to the amounts included in the separate statement of financial position, the company has the following contingent liabilities at 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 company*	3 417 871	3 103 401

*Letters of guarantee which were issued by banks on behalf of the company and for others on December 31, 2025 including letters of guarantee issued in exchange for a cash cover (restricted cash and equivalent) (Note No.25)

36. TAX POSITION

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 to avoid the fine which accrued for those years
- Tax inspection was performed for the years from January 1, 2019 till December 31, 2023 and all due taxes and fines were settled for those years and Fines are being settled.
- Tax inspection for year 2024 is performing.
- Tax inspection for year 2025 have not been done to date.
- Tax returns are submitted according to the income tax law No. 206 of 2020, its amendments and its executive regulations, also the due taxes are paid on legal dates.

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 years 2023 till 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.

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

Translation from Arabic

37-1 RELATED PARTY TRANSACTIONS

There are transactions between Telecom Egypt and its subsidiaries and associates and such transactions are approved by the company's management, the following statement contain the most important transactions during the financial year and the balances shown in the separate financial statements date:

Transactions with subsidiaries & associates

	Nature of transaction during the year	Amount of transactions during the year stated in the income statement L.E. 000	Movement during the year		Balance as of 31/12/2025 Debit/(Credit) L.E. 000	Balance as of 31/12/2024 Debit/(Credit) L.E. 000
			Debit L.E. 000	Credit L.E. 000		
Debit balances due from subsidiaries						
- Middle East Radio Communication (MERC)	Leased of information circuits	4 082	4 661	4 661	1 043	1 043
- TE Sport	Leased club land	88 410	88 410	-	151 410	63 000
- TE Sport	Paid on behalf of company	-	4 681	-	198 461	193 780
- TE Sport	Leased sites for subsidiary company	18	18	-	92	74
			93 109	-	349 963	256 854
- TE Globe	Participation contract	27 000	353 324	319 538	13 545	(20 241)
- TE Globe	cost of telecommunications	356 460				
- TE infraco limited	Paid on behalf of company	-	6 248	31	6 217	-
- RDH	Leased sites for subsidiary company	30	30	-	30	-
			457 372	324 230	370 798	257 897
Credit balances due to subsidiaries and associates						
- WE Data	Participation contract and services rendered from subsidiaries company	505 456	617 230	575 248	(59 908)	(101 890)
- WE Data	Leased circuits and information transfer network and rendered services	18 452 518	19 937 361	16 213 495	3 784 778	60 912
- WE Data	Royalties and shared services	3 122 112	3 883 322	3 836 043	47 279	-
- WE Data	Paid on behalf of company	-	49 629 923	63 648 042	(18 289 373)	(4 271 254)
			74 067 836	84 272 828	(14 517 224)	(4 312 232)
- TE Data Jordan	Participation contract	167 252	55 456	47 095	(20 454)	(28 815)
- TE Data Jordan	Leased international circuits	295	289	6 268	174	6 153
			55 745	53 363	(20 280)	(22 662)
- Egyptian Telecommunication Company for Information Systems	Services rendered from subsidiary company	1 417 852	9 059 811	8 823 566	(3 354)	(239 599)
- Egyptian Telecommunication Company for Information Systems	Lease of subsidiary company premises, electricity claims, maintenance and leased circuits and selling fixed assets	159 375	158 467	156 747	2 049	329
- Egyptian Telecommunication Company for Information Systems	Paid on behalf of company	-	5 375 915	5 276 918	(30 220)	(129 217)
			14 594 193	14 257 231	(31 525)	(368 487)
- Centra for Technologies	Maintenance and devices supply	821 532	2 082 148	1 557 178	(973 793)	(1 498 763)
- Centra for Electronic Industries	Maintenance & supplying devices	33 536	20 779	38 336	(24 252)	(6 695)
- T E investment Holding	Rendered services from subsidiary company	169 967	267 272	300 476	(111 155)	(77 951)
- T E investment Holding	Leased sites for subsidiary company	27	20	-	14	(6)
			267 292	300 476	(111 141)	(77 957)
- TE France	Participation contract	127 128	124 094	152 511	(267 952)	(239 535)
- Mena Cable	Leased sites for subsidiary company	-	-	-	8	8
- Mena Cable	Purchasing other assets from subsidiary company	-	-	-	(2 671)	(2 671)
- Mena Cable	Paid of expenses on behalf of parent company	-	-	-	978	978
- Mena Cable	Maintenance - Rendered services from subsidiary company	21 387	150 103	71 457	(143 345)	(221 991)
- Mena Cable	Maintenance - Rendered services to subsidiary company	12 646	15 484	14 094	(10 358)	(11 748)
- Mena Cable	fees of services provided to parent company	15 640	15 093	-	15 093	-
- Mena Cable	Transferring the company's debt to Telecom Egypt	-	616 042	390 260	(550 216)	(775 998)
			796 722	475 811	(690 511)	(1 011 422)
- Vodafone Egypt Telecommunications Company	Outgoing calls and voice services for associate company	7 227 398	14 443 228	16 518 567	(4 543 996)	(2 468 657)
- Vodafone Egypt Telecommunications Company	Incoming international calls, claims, transmissions, lease of locations and towers for the associate company	5 712 999				
			106 452 037	117 626 301	(21 180 674)	(10 026 651)

*The amount of the transaction during the year which recorded in income statement doesn't include VAT.

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 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 company.

38. FINANCIAL INSTRUMENTS

38 -1 Credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the separate financial statements date as follows:

<u>Description</u>	<u>Note No.</u>	<u>31/12/2025 L.E. (000)</u>	<u>31/12/2024 L.E. (000)</u>
Trade receivables	(23)	14 470 060	14 217 585
Debtors and other debit balances	(24)	3 374 092	2 657 187
Financial assets at amortized cost -treasury bills		2 584 576	-
Cash and cash equivalents	(25)	6 644 055	6 966 590
		<u>27 072 783</u>	<u>23 841 362</u>

38 -2 Liquidity risk

The following are the expected maturities of financial liabilities that have not been deducted at the reporting date:

<u>Description</u>	<u>Carrying Amount L.E. (000)</u>	<u>One year or less L.E. (000)</u>	<u>From 1-2 years L.E. (000)</u>	<u>From 3-5 years L.E. (000)</u>	<u>More than 5 years L.E. (000)</u>
<u>December 31, 2025</u>					
Creditors and other credit	66 820 819	35 054 815	22 838 172	1 041 971	7 885 861
Loans and credit facilities	73 758 796	38 433 287	21 366 940	13 770 179	188 390
Lease obligations	961 557	346 477	94 947	214 107	306 026
	<u>141 541 172</u>	<u>73 834 579</u>	<u>44 300 059</u>	<u>15 026 257</u>	<u>8 380 277</u>
<u>December 31, 2024</u>					
Creditors and other credit balances	54 652 193	32 073 368	21 771 624	312 372	494 829
Loans and credit facilities	81 476 063	43 064 604	12 947 158	24 450 748	1 013 553
Lease obligations	1 069 566	279 211	247 112	214 107	329 136
	<u>137 197 822</u>	<u>75 417 183</u>	<u>34 965 894</u>	<u>24 977 227</u>	<u>1 837 518</u>

38-3 Currency risk

Description	U.S. Dollar (000)	Euro (000)	yuan (000)	Total LE (000)
December 31, 2025				
Trade receivables	261 287	-	-	12 450 326
Banks-current accounts and time deposits	82 156	4 149	-	4 146 853
Total assets in currency	343 443	4 149	-	16 597 179
Creditors and other credit balances	150 512	195 116	810 640	23 612 075
Foreign loans and facilities	697 633	15 281	-	34 097 123
Total liabilities in currency	848 145	210 397	810 640	57 709 198
Risk surplus (deficit)	(504 702)	(206 248)	(810 640)	(41 112 019)
Equivalent in Egyptian Pound	(24 049 051)	(11 538 740)	(5 524 228)	(41 112 019)
December 31, 2024				
Trade receivables	232 976	-	-	11 842 170
Banks-current accounts and time deposits	103 165	7 115	-	5 620 397
Total assets in currency	336 141	7 115	-	17 462 567
Creditors and other credit balances	135 991	171 689	621 177	20 325 115
Foreign loans and facilities	753 006	17 238	-	39 187 515
Total liabilities in currency	888 997	188 927	621 177	59 512 630
Risk surplus (deficit)	(552 856)	(181 812)	621 177	(42 050 063)
Equivalent in Egyptian Pound	(28 101 670)	(9 621 336)	(4 327 057)	(42 050 063)

Exchange rates for currencies against Egyptian pound:

	Average exchange rate during:		Closing exchange rate as at:	
	2025	2024	31/12/2025	31/12/2024
	L.E.	L.E.	L.E.	L.E.
U.S. Dollar	49.2300	44.3946	47.6500	50.8300
Euro	55.3177	47.9781	55.9460	52.9192
yuan	6.8558	6.5096	6.8147	6.9659

38-4 Sensitivity analysis

A 10% power of the foreign currencies against the EGP as of December 31, 2025, may lead to losses increase by an amount of L.E. 4 111 202 K (against L.E. 4 205 007 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.

38-5 Interest rate risk

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

Description	Note No.	31/12/2025	31/12/2024
		L.E. (000)	L.E. (000)
Financial instruments with fixed interest rate			
Financial assets – deposits	(25)	2 291 721	2 028 366
Lease liabilities (loans-credit facilities)	(27)	73 222 360	80 726 257
		75 514 081	82 754 623

38-6 Fair values for financial instruments

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

The fair value of these financial instruments does not materially differ from its book value.

39- COMPARATIVE FIGURES

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

39-1 Effect on the separate statement of financial position

	<u>31/12/2024</u> <u>as previously</u> <u>reported</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>Reclassification</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>31/12/2024</u> <u>Reclassified</u> <u>debit / (credit)</u> <u>L.E.(000)</u>
Loans and credit facilities	42 314 798	749 706	43 064 504
Creditors and other Credit balance (current)	32 823 174	(749 706)	32 073 468

39-2 Statement of profit or loss

	<u>31/12/2024</u> <u>as previously</u> <u>reported</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>Reclassification</u> <u>debit / (credit)</u> <u>L.E.(000)</u>	<u>31/12/2024</u> <u>Reclassified</u> <u>debit / (credit)</u> <u>L.E.(000)</u>
Operating revenues	(60 934 196)	259 963	(60 674 233)
General and administrative expenses	50 097 397	(53 937)	50 043 460
Net profit for the year from continued operations	2 786 525	159 167	2 945 692
Net profit for the year from discontinued operations	-	(159 167)	(159 167)

40- SIGNIFICANT EVENTS

40-1 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. (Note No. 10).

40-2 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.

41. 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.
