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Translation from Arabic

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Condensed Separate Interim Financial Statements
For The Six Months Ended June 30, 2026
And Limited Review Report

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(An Egyptian Joint Stock Company)
Condensed Separate Interim Financial Statements
For The Six Months Ended June 30, 2026
And Limited Review Report

Index

KPMG

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Public Accountants & Consultants

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

Introduction

We have performed a limited review on the accompanying 30 June 2026, condensed interim separate financial statements of Telecom Egypt Company "an Egyptian joint stock company", which comprises:

- The condensed separate statement of financial position as of 30 June 2026;
- The condensed separate statements of profit or loss for the three months and six months periods ended 30 June 2026;
- The condensed separate statements of comprehensive income for the three months and six months periods ended 30 June 2026;
- The condensed separate statements of changes in equity for six months period ended 30 June 2026;
- The condensed separate statements of cash flows for six months period ended 30 June 2026;
- The notes to the condensed interim separate financial statements.

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

Scope of Limited Review

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

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Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements as at and for the six months ended 30 June 2026 are not prepared, in all respects, in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting"

Emphasis of Matter

Without qualifying our conclusion expressed above, we draw attention to the details disclosed in Note (34) to the condensed interim 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 some areas.

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

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, August 13, 2026

KPMG Hazem Hassan
Public Accountants and Consultants
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Telecom Egypt Company

(An Egyptian Joint Stock Company)

Condensed Separate Statement of Financial Position as of:

	Note No.	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Assets			
Non Current Assets			
Fixed assets and projects under construction	(14)	118 753 871	115 628 535
Intangible assets (licenses and frequencies)		17 090 558	18 060 816
Usufruct assets	(15)	9 209 099	9 011 209
Right of use assets (lease contracts)	(16-1)	829 628	760 435
Investments in subsidiaries and associates	(17)	6 712 466	6 695 189
Financial assets at FVOCI		112 828	112 828
Deferred tax assets	(28-3)	1 732 973	2 555 541
Non Current Assets		**154 441 423**	**152 824 553**
Current Assets			
Inventories	(18)	5 933 159	6 459 501
Trade and notes receivables	(19)	15 705 037	14 470 060
Current income tax	(28-5)	831 266	1 520 805
Debtors and other debit balances	(20)	6 281 286	6 177 154
Debit balances with subsidiaries and associates	(32-1)	4 257 900	370 798
Financial assets at amortized cost (treasury bills)		-	2 584 576
Cash and cash equivalents	(21)	6 413 138	6 646 016
Assets held for sale	(22)	3 917 306	2 449 845
Current Assets		**43 339 092**	**40 678 755**
Total Assets		**197 780 515**	**193 503 308**
Equity			
Capital	(26)	17 070 716	17 070 716
Reserves	(27)	6 500 597	6 214 439
Retained earnings		16 688 444	6 745 014
Total Equity		**40 259 757**	**30 030 169**
Liabilities			
Non Current Liabilities			
Long term loans and credit facilities	(23)	29 044 630	35 325 509
Creditors and other credit balances	(24)	30 824 868	31 766 004
Lease obligations	(16-2)	647 583	615 080
Non Current Liabilities		**60 517 081**	**67 706 593**
Current Liabilities			
Short term loans and credit facilities	(23)	42 463 030	38 433 287
Creditors and other credit balances	(24)	38 083 723	35 054 815
Lease obligations	(16-2)	364 737	346 477
Credit balances to subsidiaries	(32-1)	14 964 193	21 180 674
Provisions	(25)	1 127 994	751 293
Current Liabilities		**97 003 677**	**95 766 546**
Total Liabilities		**157 520 758**	**163 473 139**
Total Equity and Liabilities		**197 780 515**	**193 503 308**

The accompanying notes on pages (6) to (25) are an integral part of these Condensed Separate Interim Financial Statements.

Director of Financial Affairs	Chief Financial Officer	Managing Director & Chief Executive Officer
Ehab	Wael Hanafy	
"Ehab Abdo "	" Wael Hanafy "	"Tamer Elmahdi"

Board of Directors approval

Chairman of The Board of Directors

L. Hilal

"Lobna Hilal"

Limited Review Report "attached"

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Condensed Separate Statement of profit or loss

	Note No.	For the six months ended : 30/6/2026 L.E.(000)	For the six months ended : 30/6/2025 Reclassified L.E.(000)	For the three months ended : 30/6/2026 L.E.(000)	For the three months ended : 30/6/2025 Reclassified L.E.(000)
Continued Operations					
Operating revenues	(3)	40 895 228	35 645 789	21 280 509	18 579 149
Operating costs	(4)	(26 948 546)	(23 498 000)	(14 251 694)	(12 381 796)
Gross Profit		**13 946 682**	**12 147 789**	**7 028 815**	**6 197 353**
Other incomes	(5)	2 611 507	2 042 312	1 266 179	1 075 935
Selling and distributing expenses	(6)	(2 981 297)	(2 704 019)	(1 493 402)	(1 333 570)
General and administrative expenses	(7)	(3 952 557)	(3 147 790)	(2 106 682)	(1 595 110)
Other expenses	(8)	(480 605)	(123 278)	(307 771)	(60 767)
Reverse / Expected credit (loss)		159 214	(311 012)	-	(133 513)
Operating profit		**9 302 944**	**7 904 002**	**4 387 139**	**4 150 328**
Finance income		428 567	409 991	158 176	218 179
Finance cost		(7 144 398)	(7 234 465)	(137 538)	(2 970 445)
Net finance cost	(9)	**(6 715 831)**	**(6 824 474)**	**20 638**	**(2 752 266)**
Income from investments in subsidiaries and associates before tax	(10)	**13 998 458**	**5 857 287**	**7 612 054**	**2 477 474**
Net profit for the period before income tax		**16 585 571**	**6 936 815**	**12 019 831**	**3 875 536**
Income tax	(28-1)	**(2 647 176)**	**(1 266 745)**	**(2 086 196)**	**(852 733)**
Net profit for the period after income tax from continued operations		**13 938 395**	**5 670 070**	**9 933 635**	**3 022 803**
Discontinued Operations					
Net profit for the period after income tax from discontinued operations	(11-1)	**84 627**	**58 203**	**45 870**	**29 579**
Net profit for the period		**14 023 022**	**5 728 273**	**9 979 505**	**3 052 382**
Basic and diluted earning per share for the period from continued operations (L.E. / Share)	(13)	**8.16**	**3.33**	**5.82**	**1.77**
Basic and diluted earning per share for the period from discontinued operations (L.E. / Share)	(13)	**0.05**	**0.03**	**0.03**	**0.02**
Basic and diluted earning per share for the period (L.E. / Share)	(13)	**8.21**	**3.36**	**5.85**	**1.79**

The accompanying notes on pages (6) to (25) are an integral part of these condensed separate interim financial statements.

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Condensed Separate Statement of Comprehensive Income

	Note No.	For the six months ended : 30/6/2026 L.E.(000)	For the six months ended : 30/6/2025 L.E.(000)	For the three months ended : 30/6/2026 L.E.(000)	For the three months ended : 30/6/2025 L.E.(000)
Net profit for the period after income tax		14 023 022	5 728 273	9 979 505	3 052 382
Other Comprehensive Income Items:					
Income tax on translation differences of foreign currency balances	(28-2)	-	-	-	-
Total Comprehensive Income		14 023 022	5 728 273	9 979 505	3 052 382

The accompanying notes on pages (6) to (25) are an integral part of these condensed separate interim financial statements.

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Telecom Egypt Company
(An Egyptian Joint Stock Company)
Condensed Separate Statement of Changes In Equity
For the six months ended june 30, 2026

	Capital	Legal reserve	Other reserves	Retained earnings	Total
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Balance as of January 1, 2025	17 070 716	3 258 135	2 822 906	4 874 875	28 026 632
Comprehensive income					
Net profit for the period	-	-	-	5 728 273	5 728 273
Total comprehensive income	-	-	-	5 728 273	5 728 273
Transferred to legal reserve	-	139 325	-	(139 325)	-
Transactions with shareholders					
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 June 30, 2025	17 070 716	3 397 460	2 822 906	6 750 128	30 041 210
Balance as of January 1, 2026	17 070 716	3 397 460	2 816 979	6 745 014	30 030 169
Comprehensive income					
Net profit for the period	-	-	-	14 023 022	14 023 022
Total comprehensive income	-	-	-	14 023 022	14 023 022
Transferred to legal reserve	-	286 158	-	(286 158)	-
Transactions with shareholders					
Dividends for year 2025 (Shareholders)	-	-	-	(2 560 607)	(2 560 607)
Dividends for year 2025 (Employees & Board of Directors)	-	-	-	(1 232 827)	(1 232 827)
Total transactions with shareholders	-	-	-	(3 793 434)	(3 793 434)
Balance as of June 30, 2026	17 070 716	3 683 618	2 816 979	16 688 444	40 259 757

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Condensed Separate Statement of Cash Flows

	Note No.	For the six months ended: 30/6/2026 L.E.(000)	30/6/2025 L.E.(000)
Cash flows from operating activities :			
Cash receipts from customers and notes receivables		30 052 766	27 404 396
Cash receipts from related party		14 314 750	10 904 071
Stamp tax and fees collected (from third party)		-	58 991
Deposits collected from customers		-	38 147
Cash paid to suppliers		(6 726 457)	(6 074 285)
Cash paid for NTRA		(4 773 297)	(2 125 166)
Cash paid to Board of Directors	(32-3)	(20 405)	(18 550)
Cash paid to employees		(5 558 028)	(5 013 696)
Cash paid on behalf of employees to third party		(767 604)	(757 092)
Payments to Tax Authority - taxes other than income tax		(2 389 335)	(3 152 529)
Other proceeds		707 070	77 509
Cash provided by operating activities		**24 839 460**	**21 341 796**
Interest paid		(4 534 257)	(6 871 093)
Payments to Tax Authority - Income tax		(20 000)	(180 000)
Net cash provided by operating activities		**20 285 203**	**14 290 703**
Cash flows from investing activities :			
Payments for purchase of fixed assets and projects under construction		(16 050 940)	(11 275 903)
Payments for purchase of intangible assets		(796 149)	(1 180 829)
Payments for purchase of investments	(17)	-	(25 115)
Credit interest received		170 054	181 921
Dividends collected from investments		106 499	343 655
Proceeds from financial assets at amortized cost - treasury bills		2 800 776	114 740
Net cash used in investing activities		**(13 769 760)**	**(11 841 531)**
Cash flows from financing activities :			
Payments of loans		(7 344 388)	(7 416 121)
Proceeds from loans		-	19 534 500
Net proceeds / (payments) of credit facilities		3 270 562	(10 901 290)
Payments of lease obligations	(16-2)	(234 141)	(120 926)
Payments of dividends to shareholders		(2 560 607)	(2 560 607)
Net cash used in financing activities		**(6 868 574)**	**(1 464 444)**
Net change in cash and cash equivalents during the period		**(353 131)**	**984 728**
Cash and cash equivalents at the beginning of the period	(21)	6 047 978	6 269 385
Cash and cash equivalents at the end of the period	(21)	**5 694 847**	**7 254 113**

The accompanying notes on pages (6) to (25) are an integral part of these condensed separate interim financial statements.

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Notes to the Condensed Separate Interim Financial Statements
For The Six Months Ended June 30, 2026

1. BACKGROUND & ACTIVITIES

1-1 Legal Entity

- Arab Republic of Egypt National Telecommunication Organization (ARENTO) was established according to Law No.153 of 1980. Effective from March 27, 1998 and according to law No.19 of 1998, the legal form of (ARENTO) was amended after the revaluation of its assets on March 26, 1998 to become “Telecom Egypt Company” (TE).
- Telecom Egypt Company (the Company) is an ‘Egyptian Joint Stock Company’ registered in the Arab Republic of Egypt and is engaged in the provision of public communications and associated products and services.
- The company is subject to the provisions of the Companies Law No. 159 of 1981 and Capital Market law No. 95 of 1992.
- The address of the company is 26 Ramses Street, Cairo, Egypt.
- 70% of the company's shares are owned by the Egyptian government,30% of the company's registered shares are traded on the Egyptian Exchange, while global depositary recipes (GDA) are traded on the London stock exchange, each representing 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 condensed separate interim financial statements

These Condensed Separate Interim Financial Statements were approved by the company's Board of Directors for issuance on August 12, 2026.

2. BASIS OF PREPERATION OF THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance

- These Condensed Separate Interim Financial Statements as of June 30, 2026, have been prepared according to Egyptian Accounting Standard No.30 requirements "Interim Financial Reporting" and in the light of applicable laws and regulations accordingly it was prepared as a Condensed Separate Interim Financial Statements comparative view to the annual separate financial statements for the company for the financial year ended December 31, 2025 and this statements must be read with the financial statements for the company on the financial year in December 31, 2025.
- These Condensed Separate Interim Financial Statements don't include all the required information needed for preparing the full annual financial statements according to Egyptian Accounting Standard however It may include selected disclosures to explain important events and transactions to understand the change in the company's financial position and performance since the last annual financial statements.

2-2 Basis of measurement

- These Condensed Separate Interim Financial Statements have been prepared according to the historical cost basis, except for :
  (A) Financial instruments that are recorded at fair value through profit or loss.
  (B) Financial instruments that are recorded at fair value through other comprehensive income.
  (C) Financial instruments that are recorded at amortized cost.
- Investment in subsidiaries and associates in Condensed Separate Interim 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 Condensed Consolidated Interim Financial Statements provide a more comprehensive understanding of the Condensed Consolidated Interim Financial Position and results and Condensed Consolidated Interim 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 condensed 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 condensed separate statement of cash flows.
- The financial statements have been prepared on a going concern basis.

2-3 Functional and presentation currency

These Condensed Separate Interim Financial Statements are presented in Egyptian pound (LE), which is the Company's functional currency. All financial information presented in "L.E." has been rounded to the nearest thousands unless otherwise stated.

2-4 Use of estimates and judgments

- The preparation of the condensed separate interim financial statements in conformity with Egyptian Accounting Standards that requires the 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 supposed to be reasonable under the circumstances, the results of these assumption represent the judgmental basis for the value of assets and liabilities that may not be apparently available from other sources. The actual results may differ from these estimates.

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

Information about the most significant accounts used the estimation and assumption in applying accounting policies that have the most significant effect on the amounts recognized in the condensed separate interim financial statements is included in the following notes:

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

2-5 Fair value measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the condensed separate interim 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 in reliable values.
- When the discounted cash flows are used as a valuation technique, the future cash flows are estimated based on the management best estimate. The discount rate used is determined in line with the market rate at the date of the financial statements for the similar financial instruments in nature and conditions.

2-6 Segment reporting

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

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

2-7 Significant accounting policies

The accounting policies applied in the preparation of the condensed separate interim financial statements as of June 30, 2026 is the same as the accounting policies applied in the preparation of the annual separate financial statements as of December 31, 2025 and approved in February 26, 2026 These policies have been followed over all periods presented in these condensed separate interim financial statements as of June 30, 2026

3- OPERATING REVENUES

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Home and personal communications	7 288 071	6 110 116	3 821 866	3 183 887
Enterprise	1 903 410	1 729 314	987 258	939 528
Domestic wholesale	16 070 463	13 314 806	8 038 902	7 039 791
International carriers	11 586 945	9 159 058	6 169 301	4 786 384
International cables and networks	4 046 339	5 332 495	2 263 182	2 629 559
	40 895 228	**35 645 789**	**21 280 509**	**18 579 149**

3-1 By timing of recognition

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Goods and services transferred over time	9 316 159	8 193 656	4 783 239	4 288 167
Goods and services transferred at a point in time	31 579 069	27 452 133	16 497 270	14 290 982
	40 895 228	**35 645 789**	**21 280 509**	**18 579 149**

3-2 By geographical location

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Local - within Egypt	25 261 944	21 154 236	12 848 026	11 163 206
Foreign - outside Egypt	15 633 284	14 491 553	8 432 483	7 415 943
	40 895 228	**35 645 789**	**21 280 509**	**18 579 149**

3-3 Contract balances

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Trade receivables	15 427 078	14 196 068
Notes receivable	277 959	273 992
Total contract receivables	**15 705 037**	**14 470 060**
Advances from customers	2 071 036	1 798 567
Contract liabilities deferred income	10 132 611	4 733 148
Total contract liabilities	**12 203 647**	**6 531 715**
Contract Balances	**3 501 390**	**7 938 345**

Total operating revenues have increased by an amount of L.E. 5 249 439 K due to the increase in domestic wholesale revenues by an amount of L.E 2 755 657 K and international carriers revenues by an amount of L.E. 2 427 887 K and home and personal communications revenues by an amount of L.E. 1 177 955 K due to the increase in revenues resulting from fixed line and rendering mobile phone service and enterprise revenues by an amount of L.E. 174 096 K however the decrease in international cables and networks revenues by an amount of L.E. 1 286 156 K led to the limitation of this increase.

* Reclassification was made to comparative figure as shown in Note No.33

4- OPERATING COSTS

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
		Reclassified		Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Call cost	9 276 454	7 838 656	4 986 813	4 159 824
Depreciation and amortization	7 773 472	6 825 716	4 100 942	3 610 781
Salaries and wages	2 533 532	2 234 468	1 204 065	1 114 868
Company's social insurance contribution	220 347	198 741	109 656	97 895
Organiztions services costs	853 630	817 362	452 419	494 164
Right of use (IRU) outside Egypt - leased circuits	1 001 669	1 003 755	542 262	475 048
Fuel	803 358	814 847	451 064	449 473
Maintenance	732 979	770 832	384 018	449 884
Frequencies and licenses charges (NTRA)	2 147 621	1 750 919	1 114 339	895 819
Other operating cost	1 605 484	1 242 704	906 116	634 040
	26 948 546	**23 498 000**	**14 251 694**	**12 381 796**

Operating costs have increased by an amount of L.E. 3 450 546 K mainly due to the following: -

- The increase in Call cost by an amount of L.E. 1 437 798 K which is mainly due to the increase in cost of international fees by an amount of L.E. 1 169 101 K.
- The increase in the depreciation and amortization by an amount of L.E 947 756 K due to the additions of the previous year after the first half and the current period.
- The increase in the salaries and wages item by an amount of L.E 299 064 K as a result of the annual increase during the period and frequencies and licenses charges (NTRA) item by an amount of L.E. 396 702 K.

* Reclassification was made to comparative figure as shown in Note No.33

5- OTHER INCOMES

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Shared service revenues	1 020 566	862 843	503 860	432 905
Right of use the trade mark	798 470	644 074	424 551	334 338
Unoperational assets incomes	192 160	148 698	88 706	75 597
Sundry revenues	600 311	386 697	249 062	233 095
	2 611 507	**2 042 312**	**1 266 179**	**1 075 935**

The increase in other income by an amount of L.E 569 195 K due to the increase in sundry revenues item by an amount of L.E. 213 614 K and shared service revenues item by an amount of L.E. 157 723 K and right of use the trademark item by an amount of L.E. 154 396 K.

6- SELLING AND DISTRIBUTING EXPENSES

	For the six months ended: 30/6/2026 L.E. (000)	30/6/2025 L.E. (000)	For the three months ended: 30/6/2026 L.E. (000)	30/6/2025 L.E. (000)
Salaries and wages	1 165 782	1 022 666	588 033	521 484
Company's social insurance contribution	88 204	82 209	43 813	40 269
Advertising and marketing	343 569	415 237	176 725	167 397
Organizations services costs	778 575	641 114	373 215	309 292
Commissions of agent and collection organizations	400 173	373 456	205 938	192 676
Depreciation and Amortization	28 926	30 088	13 939	14 546
Other selling and distribution expenses	176 068	139 249	91 739	87 906
	2 981 297	**2 704 019**	**1 493 402**	**1 333 570**

The increase in selling and distribution expenses by an amount of L.E 277 278 K mainly due to the increase in salaries and wages item by an amount of L.E 143 116 K as a result of the annual increase during the period and organizations services costs item by an amount of L.E 137 461 K, however the decrease in advertising and marketing item by an amount of L.E 71 668 K led to the limitation of this increase .

7- GENERAL AND ADMINISTRATIVE EXPENSES

	Note No.	For the six months ended: 30/6/2026 L.E. (000)	30/6/2025 Reclassified L.E. (000)	For the three months ended: 30/6/2026 L.E. (000)	30/6/2025 Reclassified L.E. (000)
Salaries and wages		2 440 716	1 846 206	1 290 961	928 379
Company's social insurance contribution		150 070	130 488	75 092	64 523
The company's contribution in loyalty and belonging fund	(12)	125 000	125 000	62 500	60 000
Takaful contribution expense		109 450	95 237	56 534	49 683
Information technology industry development authority expense		171 793	145 976	87 928	72 526
Depreciation and Amortization		69 736	38 716	38 318	19 551
Tax and duties		91 854	98 150	56 292	47 953
Organizations services costs and consultants		579 596	409 045	307 060	264 479
Other general and adminstrative expenses		214 342	258 972	131 997	88 016
		3 952 557	**3 147 790**	**2 106 682**	**1 595 110**

- The increase in general and administrative expenses by an amount of L.E 804 767 K mainly due to the increase of salaries and wages item by an amount of L.E 594 510 K due to the annual increase during the period and organizations services costs and consultants item by an amount of L.E. 170 551 K.

* Reclassification was made to comparative figure as shown in Note No.33

8- OTHER EXPENSES

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Provisions	381 650	60 000	304 744	50 000
Capital losses	8 027	3 930	2 333	1 932
Donations	90 928	52 323	694	1 810
Other expenses	-	7 025	-	7 025
	480 605	**123 278**	**307 771**	**60 767**

The increase in other expenses by an amount of L.E. 357 327 K mainly due to the increase of provisions item by an amount of L.E 321 650 K and donations item by an amount of L.E. 38 605 K.

9- NET FINANCE COST

The decrease in net finance cost by an amount of L.E 108 643 K during the period is mainly due to the decrease in the debit interest by an amount of L.E. 1 883 177 K however the decrease in net loss of translation of foreign currencies transactions by an amount of L.E. 1 793 110 K due to exchange rate fluctuations during the period led to the limitation of this decrease.

10- INCOME FROM INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
10-1 Income from investment in subsidiaries				
WE-Data	5 999 999	3 000 000	-	-
Middle East Radio Communication (Merc)	12 206	5 614	-	-
The Egyptian Telecommunication Company for information system (Xceed)	312 500	312 500	-	-
Centra for Technology company (Centra)	61 699	61 699	-	-
10-2 Income from investment in associates				
Vodafone Egypt Telecommunications Company	7 612 054	2 477 474	7 612 054	2 477 474
	13 998 458	**5 857 287**	**7 612 054**	**2 477 474**

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

11- DISCONTINUED OPERATIONS

On September 3, 2025, the Company's Board of Directors decided to partially dispose of its Regional Data Center (RDH) by transferring the relevant assets to a subsidiary of the Data Center (RDH) as part of the group's restructuring, to achieve this purpose the separate interim statement of income was re-presented to show the discontinued operations in detail as follows:-

11-1 Results of discontinued operations

	For the six months ended :		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
Revenues	129 037	104 046	70 310	52 858
Expenses	(19 841)	(28 945)	(11 123)	(14 691)
Net profit for the period before tax from discontinued operations	109 196	75 101	59 187	38 167
Income tax	(24 569)	(16 898)	(13 317)	(8 588)
Net profit for the period after tax from discontinued operations	**84 627**	**58 203**	**45 870**	**29 579**

11-2 Cash flows from discontinued operations

	For the six months ended:	
	30/6/2026	30/6/2025
Net cash provided by operating activities	61 793	84 842
Net cash used in investing activities	(995 322)	(135 776)
Cash and cash equivalents at the end of the period	**(933 529)**	**(50 934)**

12- EMPLOYEE'S BENEFITS

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

- The employees are granted an end of service benefits through a Loyalty & belonging Fund established in January 2004 which is based on the employees' basic monthly salary in the company.
- The employees share in loyalty & belonging fund according to constant subscription are based on the same employees' basic salary where the end of service benefit calculated. The company's share represents annual defined contribution and the company had contributed by an amount of L.E 125 M for the period ended in june 30, 2026 (against an amount of L.E.125 M for the same period of 2025) (Note No.7).

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

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

	For the six months ended :		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
Net profit for the period from continued operations (LE in thousand)	13 938 395	5 670 070	9 933 635	3 022 803
Net profit for the period from discontinued operations (LE in thousand)	84 627	58 203	45 870	29 579
Net profit for the period (LE in thousand)	**14 023 022**	**5 728 273**	**9 979 505**	**3 052 382**
Number of shares available during the period (share)	1707 071 600	1707 071 600	1707 071 600	1707 071 600
Basic and diluted earnings per share for the period from continued operations (LE / share)	8.16	3.33	5.82	1.77
Basic and diluted earnings per share for the period from discontinued operations (LE / share)	0.05	0.03	0.03	0.02
Basic and diluted earnings per share for the period (LE / share)	**8.21**	**3.36**	**5.85**	**1.79**

14- FIXED ASSETS AND PROJECTS UNDER CONSTRUCTION

Description	30/6/2026 Cost L.E.(000)	30/6/2025 Cost L.E.(000)	30/6/2026 Accumulated depreciation L.E.(000)	30/6/2025 Accumulated depreciation L.E.(000)	30/6/2026 Net L.E.(000)	30/6/2025 Net L.E.(000)	31/12/2025 Net L.E.(000)
Land	2 442 623	2 397 556	-	-	2 442 623	2 397 556	2 397 556
Buildings & Infrastructure	82 567 349	68 869 204	30 215 393	26 852 960	52 351 956	42 016 244	49 361 883
Centrals & information technologies equipment	74 437 825	64 996 484	34 375 260	29 900 166	40 062 565	35 096 318	38 671 030
Vehicles	630 116	524 814	227 542	183 084	402 574	341 730	426 688
Furniture	780 478	720 955	515 543	487 767	264 935	233 188	233 859
Tools & supplies	369 872	319 663	246 917	227 647	122 955	92 016	114 686
Projects under construction	23 106 263	21 450 721	-	-	23 106 263	21 450 721	24 422 833
Total	**184 334 526**	**159 279 397**	**65 580 655**	**57 651 624**	**118 753 871**	**101 627 773**	**115 628 535**

- The increase in net carrying value of fixed assets and projects under construction mainly due to the additions during the period by an amount of L.E. 9 710 756 K, however the depreciation of the period by an amount of L.E. 6 557 064 K led to the limitation of this increase.
- The cost of fixed assets as of june 30, 2026 includes an amount of L.E. 17 640 Million fully depreciated fixed assets and still in use. (against an amount of L.E. 14 975 Million for the same period of 2025).

15- USUFRUCT ASSETS

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Cost		
Usufruct (projects)	3 296 313	3 158 549
Submarine cables (right of way)	4 437 177	4 437 177
Right of way (Local)	757 003	757 003
Land (possession-usufruct)	624 973	624 973
Projects under construction	2 716 589	2 451 273
	11 832 055	**11 428 975**
Less:		
Accumulated amortization	2 622 956	2 417 766
Net carrying amount of usufruct assets	**9 209 099**	**9 011 209**

- The increase in net carrying value of usufruct assets by an amount of L.E. 197 890 K mainly due to the additions during the period by an amount of L.E. 402 005 K, however the decrease in the amortization of the period by an amount of L.E.205 163 K, which led to the limitation of this increase.
- Usufruct assets cost includes at june 30, 2026 an amount of L.E 370 Million (against an amount of L.E. 429 Million for the same period of 2025) usufruct assets fully amortized and still in use in operating.

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

16-1- Right of use assets (lease contracts)

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Cost at beginning balance	1 847 293	1 711 181
Additions during the period / year	208 842	191 039
Disposals during the period / year	-	(54 927)
Cost at ending balance	**2 056 135**	**1 847 293**
Accumulated amortization at beginning balance	1 086 858	870 977
Amortization for the period / year	139 649	235 717
Disposals during the period / year	-	(19 836)
Accumulated amortization at Ending balance	**1 226 507**	**1 086 858**
Net carrying amount for right of use assets	**829 628**	**760 435**

16-2 Lease Obligations

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

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Beginning balance of Present value for lease contracts	961 557	1 069 566
Additions	208 842	191 039
Disposals	-	(48 882)
Payments	(234 141)	(391 465)
interest	76 062	141 299
Net present value for lease obligations resulting from lease contracts	**1 012 320**	**961 557**

Presented as follows :

Current Lease obligations	**364 737**	**346 477**
Non Current Lease obligations	**647 583**	**615 080**

17- INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	30/6/2026		31/12/2025	
	Ownership %	Amount L.E. (000)	Ownership %	Amount L.E. (000)
17-1 Investments in subsidiaries				
- Telecom Egypt France (TE France)	100.00	69 220	100.00	69 220
- TE Infraco Limited	100.00	25 115	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	9 996
- 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
Centra Industrial***	99.98	17 277	0.00	–
- Middle East Radio Communication (Merc)**	49.00	7 350	49.00	7 350
17-2 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
		6 712 860		**6 695 583**
Less:				
Impairment loss on investments of subsidiaries and associates*		394		394
		6 712 466		**6 695 189**

*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 June 30, 2026, is 51%.

***Telecom Egypt has acquired shares in Centra for Electronic Industries (pursuant to the resolution of the Extraordinary General Assembly of Centra Technology held on April 16, 2026). The acquisition value was determined based on the book value per share as of December 31, 2025, and necessary legal procedures for the transfer of ownership are currently in process.

18- INVENTORIES

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Spare parts	1 703 748	1 805 748
Material supplies, Merchandise for sale	4 217 306	4 635 468
Others	12 105	18 285
	5 933 159	**6 459 501**

The value of inventories was written down by an amount of L.E. 240 658 K (against L.E. 152 861 K as at December 31, 2025) for obsolete and slow-moving items directly from the cost of each type of related inventory.

19- TRADE AND NOTE RECEIVABLES

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Trade Receivables - National	6 411 995	5 220 850
Trade Receivables - International	11 951 133	12 070 482
	18 363 128	**17 291 332**
Less:		
Expected creidt loss	2 936 050	3 095 264
Add:		
Notes receivables	277 959	273 992
	15 705 037	**14 470 060**

Trade and note receivables balance has increased by an amount of L.E 1 234 977 K mainly due to the increase in domestic wholesale by an amount of L.E 1 033 767 K, and increase in international carriers by an amount of L.E. 659 982 K, however the decrease in the international cables and networks by an amount of L.E 779 331 K, led to the limitation of this increase.

20- DEBTORS AND OTHER DEBIT BALANCES

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Suppliers – advanced payments	1 656 925	633 964
Deposits with others	326 577	331 298
Accrued revenues	144 617	136 397
Tax Authority - value added tax	-	795 527
Due from external collection agencies	384 708	283 259
Due from ministries, organizations and companies	2 218 306	1 922 724
Temporary debts due from employees	669 845	1 212 421
Other debit balances	973 645	954 901
	6 374 623	**6 270 491**
Less:		
Expected creidt loss	93 337	93 337
	6 281 286	**6 177 154**

Debtors and other debit net balances have increased by an amount of L.E. 104 132 K, mainly due to suppliers-advanced payments item by an amount of L.E. 1 022 691 K and ministries, organizations and companies item by an amount of L.E. 295 582 K, however the decrease in tax authority- value added tax item by an amount of L.E. 795 527 K, and temporary debts due from employees item by an amount of L.E. 542 576 K as a result of employee dividends for the year 2025 led to the limitation of this increase.

21- CASH AND CASH EQUIVALENTS

	Note No.	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)	30/6/2025 L.E. (000)
Banks - time deposits (less than 3 months)		2 011 082	2 291 721	3 338 804
Banks - current accounts		4 387 483	3 837 160	4 522 875
Cash on hand		14 573	1 961	12 109
Financial assets at amortized cost - Treasury bills (less than 3 months)		-	515 174	-
Cash and cash equivalents		**6 413 138**	**6 646 016**	**7 873 788**
Less:				
Restricted cash and cash equivalents	(30)	718 291	598 038	619 675
Cash and cash equivalents as per statement of cash flows		**5 694 847**	**6 047 978**	**7 254 113**

22- ASSETS HELD FOR SALE

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Net carring amount of fixed assets and projects under construction	3 917 306	2 449 845

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

On July 15, 2026, the Board of Directors of Telecom Egypt decided not to proceed with the transaction previously approved on September 3, 2025. The transaction pertained to the preliminary approval of an offer submitted by an investor to acquire a 75% to 80% stake in a subsidiary that will own the Regional Data Center Hub (RDH).

The Company confirms its ongoing commitment to executing its strategic plan to carve out the data center services assets and operations into a wholly-owned (100%) subsidiary, as part of establishing a specialized entity dedicated entirely to this business activity.

23- LOANS AND CREDIT FACILITIES

-The decrease in the balance of loans and credit facilities by an amount of L.E 2 251 136 K mainly resulted from the payments during the period for the year 2026, where loans and credit facilities with local and foreign currencies on June 30, 2026 amounted to L.E. 71 507 660 K (against LE 73 758 796 K at December 31, 2025) due within the year an amount of L.E . 42 463 030 K.

24- CREDITORS AND OTHER CREDIT BALANCES

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Suppliers	5 484 462	5 805 532
Tax Authority (taxes other than income tax)	1 241 098	454 773
Deposits from others	1 317 409	1 239 044
Assets creditors	31 880 574	35 262 006
Accrued expenses	2 043 924	2 048 022
Social Insurance authority	108 691	91 351
Trade receivables - credit balances	2 071 036	1 798 567
Credit balances- organizations and companies	1 211 094	970 884
Contract liabilities	19 697 107	13 822 914
National Telecommunication Regulatory Authority (NTRA)	2 081 994	3 612 197
Other credit balances	1 771 202	1 715 529
	68 908 591	**66 820 819**
Balances due within more than one year:		
Assets creditors	20 523 500	22 768 788
Contract liabilities	10 301 368	8 997 216
Non current creditors and other credit balances	**30 824 868**	**31 766 004**
Current creditors and other credit balances	**38 083 723**	**35 054 815**
Total creditors and other credit balances	**68 908 591**	**66 820 819**

Creditors and other credit balances have increased by an amount of L.E. 2 087 772 K mainly due to the increase in Contract liabilities item by an amount of L.E. 5 874 193 K, Tax authority (taxes other than income tax) item by an amount of L.E. 786 325 K, however the decrease in Asset creditors item by an amount of L.E. 3 381 432 K, and national telecommunication regulatory authority (NTRA) by an amount of L.E. 1 530 203 K, and suppliers item by an amount of L.E. 321 070 K, led to the limitation of this increase.

25- PROVISIONS

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Balance at the beginning of the period / year	751 293	382 270
Charged to statement of profit or loss for the period / year	381 650	442 829
Used during the period / year	(4 949)	(73 806)
Balance at the end of the period / year	**1 127 994**	**751 293**

26- CAPITAL

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

27- RESERVES

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Legal reserve*	3 683 618	3 397 460
Other reserves	2 816 979	2 816 979
	6 500 597	**6 214 439**

*The balance of legal reserve has increased as a result of retaining an amount of L.E. 286 158 K from the profit of 2025 in accordance with the company's articles of association.

28- INCOME TAX

28-1 Items recognized in statement of profit or loss

	For the six months ended:		For the three months ended:	
	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)
Current income tax	(2 376 338)	(609 010)	(1 202 099)	(270 695)
Deferred tax	(295 407)	(674 633)	(897 414)	(590 626)
	(2 671 745)	**(1 283 643)**	**(2 099 513)**	**(861 321)**
As follow :				
Income tax from continued operations	(2 647 176)	(1 266 745)	(2 086 196)	(852 733)
income tax from discontinued operations	(24 569)	(16 898)	(13 317)	(16 898)
	(2 671 745)	**(1 283 643)**	**(2 099 513)**	**(869 631)**

28-2 Items recognized in statement of comprehensive income

	For the six months ended :		For the three months ended :	
	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)
Income tax expense	527 161	-	243 607	-
Deferred tax expense	(527 161)	-	(243 607)	-
	-	-	-	-

28-3 Recognized deferred tax assets and liabilities.

	30/6/2026		31/12/2025	
	Assets L.E.(000)	Liabilities L.E.(000)	Assets L.E.(000)	Liabilities L.E.(000)
Total deferred tax asset / (liability)	4 117 769	(2 384 796)	4 955 376	(2 399 835)
Net deferred tax assets	1 732 973	-	2 555 541	-
Deferred tax charged to the statement of income for the period / year	-	(295 407)	-	(1 271 731)
Deferred tax charged to the statement of comprehensive income for the period / year	-	(527 161)	-	(1 260 323)

28-4 Unrecognized deferred tax assets

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Unrecognized deferred tax assets	687 165	722 376

Deferred tax assets have not been recognized for temporary differences due to uncertainty of utilization of their benefits in the foreseeable future.

28-5 Current income tax

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Tax Authority - income tax	(393 794)	-
Less:		
Advanced payments	1 217 948	1 514 030
Withholding tax	7 112	6 775
	831 266	**1 520 805**

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

29- CAPITAL COMMITMENTS

The company's capital commitments for the unexecuted parts of contracts until June 30, 2026, amounted to L.E. 3 948 million (against L.E. 3 738 million at the year ended December 31, 2025).

30- CONTINGENT LIABILITIES

In addition to the amounts included in the condensed separate interim statement of financial position, the company has the following contingent liabilities as at June 30, 2026:

	30/6/2026	31/12/2025
	LE (000)	LE (000)
- Letters of guarantee issued by banks on behalf of the company*	3 293 426	3 417 871

*Letters of guarantee which were issued by banks on behalf of the company and for others on June 30,2026 including letters of guarantee issued in exchange for cash cover (restricted cash and equivalent held by banks) (Note No.21).

31-TAX POSITION

31-1 Corporate tax

- Tax inspection was performed for the years till December 31, 2018 and all due taxes and fines were settled for those years and Fines according to law No. 153 of 2022 were settled to avoied 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 and 2025 have not been done to date.
- Tax return are submitted according to the income tax law No. 206 of 2020, its amendments and its executive regulations, also the due taxes are paid on legal dates.

31- 2 Value Added Tax \ Sales Tax

- Tax inspection for the years till December 31, 2023 was performed and the tax differences were settled for those years except the additional tax for the years from 2018 till 2023.
- Tax inspection for year 2024/2025 have not been done to date.
- Tax returns are submitted according to the value added tax law and according to the law No. 206 of 2020 issuing the Unified Tax Procedures Law, and the due taxes, if any, are paid on the legal dates.

31- 3 Salary & wages Tax

- Tax inspection was performed for the years till December 31 ,2014 and the Company was notified with tax differences and all due taxes were settled.
- Tax inspection for the year 2015 till 2022 has been performed and all due taxes were settled and Fines are being settled.
- Years from 2023 till 2025, the company is regular in deducting and remitting taxes on legal dates according to the law No. 206 of 2020, its amendments and its executive regulations also, the tax settlement are submitted according to the provisions of law No. 206 of 2020 issuing the Unified Tax Procedures Law.

31- 4 Stamp Tax

- Tax inspection for the period starting from March 27, 1998 to December 31, 2000 was performed for certain sectors of the company, and the company was notified of the tax assessment elements, and the company filed remedies and appears against legal deadlines.
- Tax inspection for the period starting from January 1, 2001 till July 31, 2006 was performed for certain sectors of the company and tax due were settled. Tax inspection for the remaining sectors is currently being undertaken for the same period.
- Tax inspection for the period starting from August 1, 2006 to December 31, 2020 was performed and all the due taxes were settled.
- Stamp duty development was inspected for year 2020/2021 and the inspection didn't reveal any due differences.
- Tax inspection for years 2022 till 2025 have not been done to date.

31- 5 Real Estate Tax

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

32- **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 period and the balances shown in the separate financial statements date:

32-1 Transactions with subsidiaries and associates

	Nature of transaction during the period	Amount of transactions during the period stated in the Profit or loss statement L.E. 000	Movement during the period Debit L.E. 000	Movement during the period Credit L.E. 000	Balance as of 30/6/2026 (Credit) / Debit L.E. 000	Balance as of 31/12/2025 (Credit) / Debit L.E. 000
Debit balances due from subsidiaries and associates						
- TE Infraco Limited	Payments on behalf of the company	-	206	-	6 423	6 217
- Middle East Radio Communication (MERC)	Participation circuits contract	2 243	2 557	2 557	1 043	1 043
- Middle East Radio Communication (MERC)	the company's share in 2025 dividend	-	10 985	-	10 985	-
			13 542	**2 557**	**12 028**	**1 043**
- RDH Egypt	Leased sites for subsidiary company	30	**30**	-	**60**	**30**
- TE Sport	lease of club land	46 513	47 062	-	198 472	151 410
- TE Sport	Payments on behalf of the company	-	139	-	198 600	198 461
- TE Sport	Leased sites for subsidiary company	9	10	-	102	92
			47 211	-	**397 174**	**349 963**
- TE Globe	Maintenance & supplying devices	15 618	**153 901**	**155 086**	**12 360**	**13 545**
- TE Globe	Telecommunications cost	145 456				
- Egyptian Telecommunication Company for Information Systems	Services rendered from subsidiary company	86 901	87 503	87 490	2 062	2 049
- Egyptian Telecommunication Company for Information Systems	Lease of subsidiary company premises, electricity claims, maintenance and leased circuits and sale of fixed assets	820 441	3 692 255	3 787 775	(98 874)	(3 354)
- Egyptian Telecommunication Company for Information Systems	Rendered services to subsidiary company	-	6 351 425	6 313 243	7 962	(30 220)
- Egyptian Telecommunication Company for Information Systems	The company share of 2025 dividends	-	281 250	-	281 250	-
			10 412 433	**10 188 508**	**192 400**	**(31 525)**
- Vodafone Egypt Telecommunications Company	Outgoing calls and voice services for associate company	4 153 119	13 381 792	12 051 189	(3 213 393)	(4 543 996)
- Vodafone Egypt Telecommunications Company	Incoming international calls, claims, transmissions,lease of locations and towers for the associate company	4 419 678				
Vodafone Egypt Telecommunications Company	the company's share in 2025 dividend	-	6 850 848	-	6 850 848	-
			20 232 640	**12 051 189**	**3 637 455**	**(4 543 996)**
Total of debit balances due from subsidiaries and associates			**30 859 963**	**22 397 340**	**4 257 900**	**370 798**
Credit balances due to subsidiaries						
- WE Data	Participation contract and Purchasing of fixed assets and services rendered from subsidiaries company	342 957	245 421	391 133	(205 620)	(59 908)
- WE Data	Leased circuits and information transfer network renderd to subsidiaries	10 677 020	13 219 870	16 555 639	449 009	3 784 778
- WE Data	Royalties and shared services	1 819 036	2 820 555	2 948 569	(80 735)	47 279
- WE Data	Payments on behalf of the company	-	43 015 539	43 746 012	(19 019 846)	(18 289 373)
- WE Data	The company share of 2025 dividends	-	5 399 999	-	5 399 999	-
			64 701 384	**63 641 353**	**(13 457 193)**	**(14 517 224)**
- Centra for Technologies	Maintenance & supplying devices	269 302	846 751	270 330	(397 372)	(973 793)
Centra for Technologies	the company's share in 2025 dividend	-	61 700	61 700	-	-
Centra for Technologies	Buying shares	-	-	17 277	(17 277)	-
			908 451	**349 307**	**(414 649)**	**(973 793)**
- Centra for Electronic Industries	Maintenance & supplying devices	6 869	**22 101**	**7 831**	**(9 982)**	**(24 252)**
- T E investment Holding	Rendered services from subsidiary company	83 006	175 521	213 675	(149 309)	(111 155)
- T E investment Holding	Leased sites for subsidiary company	14	14	28	-	14
			175 535	**213 703**	**(149 309)**	**(111 141)**
- TE Data Jordan	Participation contract	74 990	176 598	167 451	(11 307)	(20 454)
- TE Data Jordan	Leased international circuits	453	434	202	406	174
			177 032	**167 653**	**(10 901)**	**(20 280)**
- TE France	Participation contract	63 941	**88 195**	**97 085**	**(276 842)**	**(267 952)**
- Mena Cable	Leased sites for subsidiary company	-	-	-	8	8
- Mena Cable	Purchasing of intigible assets from subsidiaries company	-	-	-	(2 671)	(2 671)
- Mena Cable	Payments on behalf of the company	-	-	-	978	978
- Mena Cable	Maintainance - Rendered services from subsidiary company	10 379	32 496	15 791	(126 640)	(143 345)
- Mena Cable	Paid of expenses on behalf of parent company	8 258	14 238	7 723	(3 843)	(10 358)
- Mena Cable	Maintainance - Rendered services to subsidiary company	8 312	8 755	-	23 848	15 093
- Mena Cable	Transfer of EISCC debt to the company	-	141 115	127 896	(536 997)	(550 216)
			196 604	**151 410**	**(645 317)**	**(690 511)**
			66 269 302	**64 628 342**	**(14 964 193)**	**(21 180 674)**

*The amount of the transactions during the period which recorded in income statement dosen`t include VAT.

32-2 Transactions with the Egyptian government

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

32-3 Transactions with the Board of directors

On March 26, 2026, The Company's ordinary general assembly decided to approve the disbursement of an amount of L.E 20 405 K to the members of the board of directors as a reward for the financial year ended in December 31, 2025, in addition to attending board sessions allowances (against L.E. 18 550 K as a reward for the financial year ended December 31, 2024).

33- COMPARATIVE FIGURES

- Reclassification was made to some of the comparative figuers of the condensed separate statement of profit or loss, to conform to the current presentation of the condensed separate financial statements.

Effect on the condensed separate Statement of profit or loss

	For the six months ended 30/6/2025 as previuosly reported debit / (credit) L.E.(000)	Reclassification debit / (credit)	For the six months ended 30/6/2025 Reclassified debit / (credit) L.E.(000)	For the three months ended 30/6/2025 as previuosly reported debit / (credit) L.E.(000)	Reclassification debit / (credit)	For the three months ended 30/6/2025 Reclassified debit / (credit) L.E.(000)
Operating revenues	(35 749 835)	104 046	(35 645 789)	(18 632 007)	52 858	(18 579 149)
Operating costs	23 526 685	(28 685)	23 498 000	12 396 355	(14 559)	12 381 796
General and administrative expenses	3 148 050	(260)	3 147 790	1 595 242	(132)	1 595 110
Income tax	1 283 643	(16 898)	1 266 745	861 321	(8 588)	852 733
Net profit for the period from continued operations	(5 728 273)	58 203	(5 670 070)	(3 052 382)	29 579	(3 022 803)
Net profit for the period from discontinued operations	-	(58 203)	(58 203)	-	(29 579)	(29 579)

34- SIGNIFICANT EVENTS

Ramses Central Fire Accident

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

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

The cost of the disposed assets amounted to L.E. 2 343 107 K and the capital losses amounted to L.E. 1 483 568 K, and an amount of L.E. 200 million was received from the compensation account by the company Insurance on year 2025 and The claim procedures for the remaining compensation are being completed in accordance with the available insurance coverage, pending the completion of the investigations.

35- Subsequent Events

On July 15, 2026, the Board of Directors of Telecom Egypt decided not to proceed with the transaction previously approved on September 3, 2025. The transaction pertained to the preliminary approval of an offer submitted by an investor to acquire a 75% to 80% stake in a subsidiary that will own the Regional Data Center Hub (RDH).

The Company confirms its ongoing commitment to executing its strategic plan to carve out the data center services assets and operations into a wholly-owned (100%) subsidiary, as part of establishing a specialized entity dedicated entirely to this business activity.