

**TELECOM EGYPT COMPANY
AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION PREPARED
IN ACCORDANCE WITH IFRS ACCOUNTING
STANDARDS

FOR THE PERIOD ENDED MARCH 31, 2024

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Report on Review of the Interim Condensed Consolidated Financial Information To the Shareholders of Telecom Egypt Company

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Telecom Egypt Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at March 31, 2024, and the related interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three-month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

Except as explained in the *Basis for Qualified Conclusion* section of our report, we conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

Basis for Qualified Conclusion

Investment in associate (Vodafone Egypt Telecommunications Company S.A.E.)

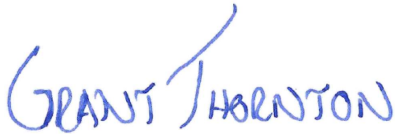
As disclosed in Note 7 to the interim condensed consolidated financial information, the Group’s investment in Vodafone Egypt Telecommunications Company S.A.E. (the “Associate”) is carried at EGP 14,884,411 thousand on the interim consolidated statement of financial position as at December 31, 2023 and EGP 15,586,913 thousand as at March 31, 2024. The Group’s share of profit of the Associate of EGP 818,012 thousand and EGP 702,502 thousand is also included in the net profit or loss for the three-month periods ended March 31, 2023 and March 31, 2024, respectively, which was accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. We were not granted access to the Associate, and accordingly, we were unable to perform any related review procedures. Consequently, we were not able to identify if any adjustments, related to the share of results of the associate were necessary to be made in the interim consolidated statement of comprehensive income and profit or loss and the related investment in associates included in the interim consolidated statement of financial position. Given the consolidated statement of comprehensive income and profit or loss included the share of profit from such associate therefore our review report for March 31, 2023 and audit report on the consolidated financial statements of the Group for the year ended December 31, 2023 was also modified in respect of this matter.

**Report on Review of the Interim Condensed Consolidated Financial Information
To the Shareholders of Telecom Egypt Company (continued)****Qualified Conclusion**

Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the matter described in the *Basis for Qualified Conclusion* section of our report, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The Group has also prepared interim condensed consolidated financial information as at and for the three-month period ended March 31, 2024 in accordance with Egyptian Accounting Standards, which was reviewed by another auditor who expressed a modified conclusion on the financial information on May 30, 2024 due to their inability to obtain reviewed or audited accounts of an investment in associate.

**GRANT THORNTON UAE****Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates**

February 12, 2025



Telecom Egypt Company and its subsidiaries
Interim consolidated statement of financial position
As at March 31, 2024

(Amounts in thousands of Egyptian Pound)	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	76,044,382	72,740,380
Intangible assets	6	24,691,927	20,147,741
Investments in associates	7	15,656,546	14,938,030
Right-of-use-assets		832,132	766,704
Financial assets at FVOCI		83,442	83,442
Trade and other receivables	8	1,203,333	932,725
Total non-current assets		118,511,762	109,609,022
Current assets			
Trade and other receivables	8	23,341,394	15,818,435
Inventories		5,503,011	5,080,871
Amount due from an associate	9	675,860	-
Current income tax		214,471	890,660
Cash and bank balances	10	10,451,676	10,977,982
Total current assets		40,186,412	32,767,948
TOTAL ASSETS		158,698,174	142,376,970
EQUITY AND LIABILITIES			
Equity			
Share capital		17,070,716	17,070,716
Reserves		7,675,201	6,719,676
Retained (loss)/earnings		(3,378,975)	16,857,463
Equity attributable to Owners of the Parent		21,366,942	40,647,855
Non-controlling interests		12,402	16,439
Total equity		21,379,344	40,664,294
Non-current liabilities			
Loans and borrowings	12	28,081,030	19,725,744
Trade payables	13	11,242,237	9,975,035
Deferred tax liabilities		1,356,802	3,415,774
Lease liabilities		794,207	809,090
Deferred income	14	699,808	3,918,587
Total non-current liabilities		42,174,084	37,844,230
Current liabilities			
Loans and borrowings	12	44,435,456	29,616,014
Trade and other payables	13	43,926,695	29,835,275
Deferred income	14	5,370,213	1,733,723
Provisions		1,133,323	1,426,365
Lease liabilities		279,059	173,297
Amount due to an associate	9	-	1,083,772
Total current liabilities		95,144,746	63,868,446
Total liabilities		137,318,830	101,712,676
TOTAL EQUITY AND LIABILITIES		158,698,174	142,376,970

The attached notes on pages from 7 to 17 from an integral part of this interim condensed consolidated financial information.



Ehab Abdo
Director of Financial Affairs



Wael Hanafy
Chief Financial Officer



Mohamed Nasr
Managing Director and
Chief Executive Officer



Maged Osman
Chairman

Board of Directors' approval

Telecom Egypt Company and its subsidiaries
Interim consolidated statement of profit or loss and other comprehensive income
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)	Notes	Three-month period ended March 31,	
		2024 (Unaudited)	2023 (Unaudited)
Revenue	15	17,486,668	13,958,661
Cost of revenue	16	(10,334,749)	(7,678,741)
Gross profit		7,151,919	6,279,920
Selling and marketing expenses	17	(1,320,231)	(1,077,577)
Administrative expenses	18	(1,789,781)	(1,305,323)
Allowance for expected credit losses		(367,649)	(24,759)
Other operating income		58,437	80,261
Other operating expenses	19	(6,583,337)	(3,454,385)
Operating profit/(loss)		(2,850,642)	498,137
Finance income		203,595	220,010
Finance costs		(18,067,307)	(6,639,550)
Net finance costs		(17,863,712)	(6,419,540)
Other non-operating income		1,508,582	1,210,439
Share of profit of associates		714,766	825,309
LOSS BEFORE TAX		(18,491,006)	(3,885,655)
Income tax expense		1,036,052	88,597
NET LOSS FOR THE PERIOD		(17,454,954)	(3,797,058)
Other comprehensive income			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		736,257	298,422
Total other comprehensive income		736,257	298,422
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(16,718,697)	(3,498,636)
Net loss attributable to:			
Owners of the Parent		(17,456,563)	(3,797,210)
Non-controlling interests		1,609	152
Net loss for the period		(17,454,954)	(3,797,058)
Total comprehensive loss attributable to:			
Owners of the Parent		(16,720,306)	(3,498,788)
Non-controlling interests		1,609	152
Total comprehensive loss for the period		(16,718,697)	(3,498,636)
Earnings per share (expressed in EGP):			
Basic earnings per share (EGP)		(10.23)	(2.22)
Diluted earnings per share (EGP)		(10.23)	(2.22)

The attached notes on pages from 7 to 17 from an integral part of this interim condensed consolidated financial information.

Telecom Egypt Company and its subsidiaries
Interim consolidated statement of changes in equity
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

	Attributable to Owners of the Parent						Non-controlling interests	Total equity
	Share capital	Legal reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total		
Balances as at January 1, 2023 (Audited)	17,070,716	2,938,918	402,277	2,747,525	16,930,126	40,089,562	14,064	40,103,626
Net loss for the period	-	-	-	-	(3,797,210)	(3,797,210)	152	(3,797,058)
Other comprehensive income	-	-	298,422	-	-	298,422	-	298,422
Total comprehensive loss for the period	-	-	298,422	-	(3,797,210)	(3,498,788)	152	(3,498,636)
Transfer to legal reserve	-	123,072	-	-	(123,072)	-	-	-
Dividends (Note 11)	-	-	-	-	(2,133,840)	(2,133,840)	(3,792)	(2,137,632)
Other adjustments	-	-	-	-	(853)	(853)	-	(853)
Balance as at March 31, 2023 (Unaudited)	17,070,716	3,061,990	700,699	2,747,525	10,875,151	34,456,081	10,424	34,466,505
Balance as at January 1, 2024 (Audited)	17,070,716	3,258,135	707,362	2,754,179	16,857,463	40,647,855	16,439	40,664,294
Net loss for the period	-	-	-	-	(17,456,563)	(17,456,563)	1,609	(17,454,954)
Other comprehensive income	-	-	736,257	-	-	736,257	-	736,257
Total comprehensive loss for the period	-	-	736,257	-	(17,456,563)	(16,720,306)	1,609	(16,718,697)
Transfer to legal reserve	-	219,268	-	-	(219,268)	-	-	-
Dividends (Note 11)	-	-	-	-	(2,560,607)	(2,560,607)	(5,646)	(2,566,253)
Balance as at March 31, 2024 (Unaudited)	17,070,716	3,477,403	1,443,619	2,754,179	(3,378,975)	21,366,942	12,402	21,379,344

The attached notes on pages from 7 to 17 from an integral part of this interim condensed consolidated financial information.

Telecom Egypt Company and its subsidiaries
Interim consolidated statement of cash flows
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)		Three-month period ended March 31,	
	Notes	2024 (Unaudited)	2023 (Unaudited)
Operating activities			
Loss for the period before tax		(18,491,006)	(3,885,655)
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	2,318,172	1,406,158
Depreciation of right-of-use assets		81,061	71,058
Amortisation of intangible assets	6	454,649	418,611
Share of profit of associates		(714,766)	(825,309)
Allowance for expected credit losses		367,649	24,759
Provision for inventories		(146)	(629)
Provisions		50,147	143,233
Net foreign exchange differences		4,736,721	1,405,253
Dividend income		(6,093)	(4,612)
Finance cost		18,067,307	6,639,550
Finance income		(203,595)	(220,010)
		6,660,100	5,172,407
<i>Working capital changes:</i>			
Trade and other receivables		(4,195,440)	(482,772)
Inventories		(421,994)	(482,841)
Trade and other payables		6,980,033	2,196,994
Amount due to an associate		(1,759,632)	(3,274,403)
Provisions		(343,189)	(159,712)
Deferred income		3,956,553	3,748,121
Restricted bank balances		(237,205)	(39,592)
Cash from operations		10,639,226	6,678,202
Income tax paid		(279,219)	(56,939)
Net cash flows from operating activities		10,360,007	6,621,263
Investing activities			
Purchase of property and equipment		(8,544,224)	(3,973,638)
Purchase of intangible assets		(6,464,027)	(2,082,377)
Proceeds from disposal of property and equipment and intangibles		42	45
Proceeds from sale financial assets at amortized cost (Treasury bills)		54,540	78,540
Payment for investment in associate		(3,750)	-
Interest received		112,368	80,718
Net cash flows used in investing activities		(14,845,051)	(5,896,712)
Financing activities			
Repayment of loans and borrowings		(909,581)	(945,746)
Proceeds from loans and borrowings		6,330,128	6,635,969
Interest paid		(1,741,603)	(834,362)
Payments of lease liabilities		(108,109)	(82,918)
Net cash flows from financing activities		3,570,835	4,772,943
Net change in cash and cash equivalents		(914,209)	5,497,494
Cash and cash equivalents at January 1,		10,442,683	6,751,791
Net foreign exchange difference		150,698	23,313
Cash and cash equivalents at March 31,	10	9,679,172	12,272,598

The attached notes on pages from 7 to 17 from an integral part of this interim condensed consolidated financial information.

Telecom Egypt Company and its subsidiaries

Notes to the interim condensed consolidated financial information

For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

1 General Information

Telecom Egypt Company (the “Company” or the “Parent”) 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 and is registered in the Commercial Register under number 3930, Cairo, Egypt.

The registered office of the Company is 26 Ramses Street, Cairo, Egypt.

As at March 31, 2024, 70% of the Company’s shares are held by the Government of Egypt (2023: 70%) and the remaining 30% are listed on the Egypt Stock Exchange (“Egyptian Exchange”) (2023: 30%). In addition, the Company’s global depository receipts are listed on the London Stock Exchange (each consisting of five ordinary shares).

The main business operations of the Company in accordance with its trade license include the following:

- Owning, setting up, operating, maintaining and developing telecommunication networks and infrastructure necessary for communication services for the purpose of using, managing, and leasing them to others as part of the Company’s operations.
- Providing, managing, and leasing to others voice, video and data transmission telecommunication as part of the Company’s operations.
- Participating and contributing to global communication systems, such as submarine cables and satellites, and obtaining capacities or circuits for using, managing and leasing them to others as part of the Company’s operations.
- Dealing, contracting and participating with authorities, agencies, companies, organisations or any other entity exercising activities similar or identical to those of the Company or assists the Company to achieve its purpose either in the Arab Republic of Egypt or abroad.
- Managing, selling, leasing, purchasing, possessing, and trading in any property and rights to or benefit in any property, including property that could be acquired or owned by the Company.
- Selling, purchasing and distributing fixed line sets, mobile phones and computers, and their peripherals, accessories and supplies, and complementary devices and necessary spare parts and providing related maintenance works.
- Setting up voice, video and written data transmission networks and providing value-added, content, marketing, electronic signature, and online money transfer services.
- Engaging in real estate investment for serving the Company’s purpose and executing its projects.

The interim condensed consolidated financial information of the Group for the three-month period ended March 31, 2024 comprise the financial information of the Company and its subsidiaries (together referred to as the “Group”). The Group also holds interests in associates. Information on the Group’s structure is provided in the annual consolidated financial statements of the Group as at and for the year ended December 31, 2023, which remains unchanged.

The Group has also prepared interim condensed consolidated financial information in accordance with Egyptian Accounting Standards for the three-month period ended March 31, 2024, which do not constitute part of this interim condensed consolidated financial information and were issued on May 29, 2024 and published on the Egyptian Exchange.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

2 Basis of preparation and changes to material accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial information for the three-month period ended March 31, 2024 has been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* (IAS 34).

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Parent's annual consolidated financial statements as at December 31, 2023. In addition, the results for the three-month period ended March 31, 2024 are not indicative of the results that may be expected for the financial year ended December 31, 2024.

2.2 Functional and presentation currency

This interim condensed consolidated financial information is presented in Egyptian Pounds ("EGP"), which is also the Parent's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.3 Significant accounting estimates and judgments

The preparation of the interim condensed consolidated financial information in conformity with IAS 34, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2023.

2.4 Fair value measurement

All financial assets and liabilities are stated at amortized cost in this interim condensed consolidated financial information, except for financial assets at FVOCI, which have been carried at fair value using Level 3 category of fair value measurement.

3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards effective as of January 1, 2024, where appropriate. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments listed below apply for the first time in 2024, but do not have a significant impact on the interim condensed consolidated financial information of the Group.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); and
- Lack of Exchangeability (Amendments to IAS 21).

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

4 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2023.

5 Property and equipment

During the period ended March 31, 2024, the Group acquired property and equipment amounting to EGP 5,421,695 (2023: EGP 1,258,632).

Depreciation charge on property and equipment for the period ended March 31, 2024 amounted to EGP 2,318,172 (2023: EGP 1,406,158).

6 Intangible assets

During the period ended March 31, 2024, the Group acquired intangible assets amounting to EGP 4,964,680 (2023: EGP 386,385).

Amortisation charge on intangible assets for the period ended March 31, 2024 amounted to EGP 454,649 (2023: EGP 418,611).

7 Investments in associates

The Group has the following investments in associates:

	Ownership		Carrying amount	
	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Vodafone Egypt Telecommunication Company S.A.E.	44.95%	44.95%	15,586,913	14,884,411
Egypt Trust	35.71%	35.71%	64,633	52,369
New matrix for technology	25.50%	25.50%	5,000	1,250
Wataneya for Telecommunication*	50.00%	50.00%	-	-
			15,656,546	14,938,030

*Investment in Wataneya for Telecommunication amounting to EGP 0.125 million is fully reduced against the Group's share in the losses of the associates.

Vodafone Egypt Telecommunications Company S.A.E.

The investment in Vodafone Egypt represents the ownership of 107,869,799 shares as at March 31, 2024 and December 31, 2023. The movement in the investment for the period/year is as follows:

	Period ended March 31, 2024 (Unaudited)	Year ended December 31, 2023 (Audited)
As at January 1,	14,884,411	12,181,727
Share of net profit and total comprehensive income	702,502	4,810,094
Dividends received	-	(2,107,410)
	15,586,913	14,884,411

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

7 Investments in associates (continued)

Vodafone Egypt Telecommunications Company S.A.E. (continued)

Vodafone Egypt Telecommunications Company S.A.E. is engaged in the telecommunication and related activities in Egypt and is a subsidiary of Vodafone Group PLC listed on London stock Exchange.

8 Trade and other receivables

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables – local, net	5,966,251	3,548,109
Trade receivables – foreign, net	9,104,459	6,408,692
Notes receivable	178,070	260,918
Trade and notes receivable, net	15,248,780	10,217,719
Advance payments to suppliers	2,114,318	1,337,152
Due from ministries, organisations, companies and franchises	2,092,878	1,393,255
Value added taxes	2,087,007	1,414,405
Deposits with others	329,220	324,409
Other receivables	2,672,524	2,064,220
Other receivables	9,295,947	6,533,441
	24,544,727	16,751,160
Non-current (advances to suppliers)	1,203,333	932,725
Current	23,341,394	15,818,435
	24,544,727	16,751,160

9 Related parties

Identity of related parties

The Group's related parties include its associate, Vodafone Egypt Telecommunications Company S.A.E. the Government of Egypt, and key management personnel.

Transactions and balances with Vodafone Egypt Telecommunications Company S.A.E.

During the period ended March 31, 2024 the Group incurred cost of revenue of EGP 1,052 million (2023: 816 million) in relation of receipt of telecommunications and related services from the associate.

The Group earned revenue of EGP 1,200 million from telecommunications and related services provided to the associate during the period ended March 31, 2024 million (2023: 1,626 million).

The balance due from Vodafone Egypt Telecommunications Company S.A.E. at March 31, 2024 is EGP 676 million (2023: of EGP 1,084 million).

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

9 Related parties (continued)

Transactions and balances with Vodafone Egypt Telecommunications Company S.A.E. (continued)

The related party balance is unsecured, and settlement occurs in cash. There are no guarantees given or received for such balance. Transactions with the associate are made on terms agreed between the Group and the associate based on contractual agreements.

Dividends received from the associate is disclosed in Note 7.

Transactions and balances with the Government of Egypt

As disclosed in Note 1, the Company is 70% owned by the Government of Egypt (2023: 70%). The Group, in the normal course of business, provides goods and services to Governmental bodies and earns revenue from such transactions. Other transactions and balances with the Governmental bodies, including but not limited to those related to taxes, are disclosed in the relevant notes in this interim condensed consolidated financial information.

Key management compensation

During the three-month periods ended March 31, 2024, and March 31, 2023, the Group incurred salaries, allowances and other benefits to its key management personnel, and included these expenses within salaries and wages in the interim consolidated statement of profit or loss and other comprehensive income.

10 Cash and cash equivalents

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Bank balances - current accounts	6,193,803	2,364,485
Bank balances - time deposits	2,639,754	8,465,974
Treasury bills	1,505,861	-
Money market funds	97,835	142,885
Cash in hand	14,423	4,638
Cash and cash balances	10,451,676	10,977,982
Less: restricted bank balances*	(772,504)	(535,299)
Cash and cash equivalents	9,679,172	10,442,683

Treasury Bills, time deposits and Money Market Funds have an initial maturity of less than 3 months and carry interest rates as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
EGP	4.5% to 25.4%	7% to 20.3%
USD	SOFR plus 1%	LIBOR plus (1.5 to 2.0%)

*Restricted bank balances are withheld with the Group's bankers under the specific instructions of multiple government departments and agencies, against claimed taxes, duties, fees and other charges payable by the Group in the normal course of business. These bank balances would be released for subsequent use after settlement of the respective outstanding dues by the Group.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

11 Dividends

Dividends of EGP 1.49 per share amounting to EGP 2,560,607 thousand were declared by the Company during the period ended March 31, 2024 (2023: EGP 1.25 per share amounting to EGP 2,133,840 thousand).

12 Loans and borrowings

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Non-current liabilities		
Foreign loans	24,035,317	17,029,314
Local facilities – foreign currencies	4,045,713	2,696,430
	28,081,030	19,725,744
Current liabilities		
Local facilities – local currencies	22,468,671	16,725,122
Local facilities – foreign currencies	15,083,448	9,176,028
Foreign loans	6,879,308	3,712,171
Supplier facilities	4,029	2,693
	44,435,456	29,616,014

13 Trade and other payables

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables	34,535,499	28,178,862
Notes payable	25,732	36,507
Trade and notes payables	34,561,231	28,215,369
Advances from customers	6,361,665	1,727,029
Due to National Telecommunication Regulatory Authority (NTRA)	3,762,168	3,241,808
Other taxes payable	2,432,387	2,224,566
Accrued expenses	1,519,895	1,122,920
Deposits from others	861,361	816,853
Accrued finance cost	634,904	422,217
Other credit balances	5,035,321	2,039,548
Other payables	20,607,701	11,594,941
Total trade and other payables	55,168,932	39,810,310
Non-current portion (trade payables)	11,242,237	9,975,035
Current portion	43,926,695	29,835,275
Total trade and other payables	55,168,932	39,810,310

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

14 Deferred income

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Transmission services	3,434,469	292,951
Internet and telecommunications services	1,001,025	769,502
Mobile services	792,333	557,639
Operating services and maintenance	787,720	438,902
Customers compensations	54,474	54,474
Contract liabilities – access services	-	3,538,842
Total deferred income	6,070,021	5,652,310
Non-current portion	699,808	3,918,587
Current portion	5,370,213	1,733,723
Total deferred income	6,070,021	5,652,310

15 Revenue

	Three-month period ended March 31,	
	2024 (Unaudited)	2023 (Unaudited)
Home and personal communications	8,244,222	5,864,475
International cables and networks	2,877,810	2,021,908
International carrier	2,636,050	1,828,104
Enterprise	1,995,964	1,689,349
Domestic wholesale	1,732,622	2,554,825
	17,486,668	13,958,661

16 Cost of revenue

	Three-month period ended March 31,	
	2024 (Unaudited)	2023 (Unaudited)
Call costs	2,605,440	1,939,623
Depreciation of property and equipment	2,298,075	1,389,346
Salaries and other employee benefits	1,586,372	1,255,545
Organisation service costs	934,120	658,947
Frequencies and licenses	892,714	665,399
Amortisation of intangible assets	454,649	418,611
Cost of goods sold	262,327	330,370
Fuel	255,025	204,045
Maintenance	240,574	222,379
(IRU) outside Egypt	107,932	124,140
Depreciation of right-of-use assets	44,750	40,906
Others	652,771	429,430
	10,334,749	7,678,741

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17 Selling and distribution expenses

	Three-month period ended	
	March 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Salaries and other employee benefits	743,765	604,403
Advertisements	297,736	221,231
Sales and collection commissions	212,834	180,879
Depreciation of right-of-use assets	16,328	14,798
Tax and fees	8,920	5,090
Organisation service costs	3,941	15,560
Depreciation of property and equipment	2,274	2,442
Others	34,433	33,174
	1,320,231	1,077,577

18 Administrative expenses

	Three-month period ended	
	March 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Salaries and other employee benefits	1,291,921	994,776
Organisation service costs	163,692	91,422
Tax and duties	129,160	51,773
Takaful contribution	55,954	45,063
Bank charges	23,497	11,798
Depreciation of right-of-use assets	19,983	15,354
Depreciation of property and equipment	17,823	14,370
Others	87,751	80,767
	1,789,781	1,305,323

19 Other operating expenses

	Three-month period ended	
	March 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Translation loss on foreign currencies balances and transactions	6,421,587	3,344,443
Donations	104,191	57,570
Provisions	49,551	52,372
Others	8,008	-
	6,583,337	3,454,385

20 Commitments

The Group's capital commitments for the unexecuted parts as at March 31, 2024 amounted to EGP 2,716 million (unaudited) (2023: EGP 1,771 million (audited)).

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
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(Amounts in thousands of Egyptian Pound)

20 Commitments (continued)

Capital commitments, other than the commitments disclosed above, are not considered significant.

21 Contingencies

The Group has the following contingent liabilities:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Contingencies - Group		
Letters of guarantee issued by banks on behalf of the Group	4,215,149	3,475,500
Contingencies – Group’s share		
Letters of guarantee issued by banks on behalf of an associate	263,832	231,942

Letters of guarantee, which were issued by banks on behalf of the Group and for the benefits of others include letters of guarantee issued against restricted cash and bank balances (Note 10). Management does not expect that any significant liability will result from these contingencies.

22 Segment information

For management purposes, the Group is organised into business units based on its products and services and has four reportable segments, as follows:

- The marine cables and infrastructure segment, which provides goods and services (such as mobile) to home and personal and enterprise, interconnect services to other operators and internal cables and networks services to various customers.
- The internet segment, which provides all internet services to home and personal and enterprise.
- The outsourcing segment, which mainly provides customer relationship services to enterprise.
- All other segments include various services to enterprise that do not fall in any of the above segments and do not meet the quantitative thresholds of segment reporting of IFRS 8.

No operating segments have been aggregated to form the above reportable operating segments. Inter-segment transactions arise in the normal course of business.

The Group's Chief Executive Officer is the chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial information.

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Notes to the interim condensed consolidated financial information (continued)
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(Amounts in thousands of Egyptian Pound)

22 Segment information (continued)

As at / or the period ended March 31, 2024 - unaudited	Communication , marine cables and infrastructure	Internet	Outsourcing	Others	Total
Revenue					
External customers - local	4,763,328	7,061,937	80,956	66,588	11,972,809
External customers - foreign	4,916,778	66,467	530,614	-	5,513,859
Total external customers	9,680,106	7,128,404	611,570	66,588	17,486,668
Inter-segment	2,976,857	38,200	733,950	294,633	4,043,640
Gross profit	3,159,627	3,723,109	244,734	24,449	7,151,919
Call costs	(2,605,440)	-	-	-	(2,605,440)
Salaries and other employee benefits	(2,750,176)	(499,018)	(329,462)	(43,402)	(3,622,058)
Interest income	164,889	32,598	1,800	4,308	203,595
Finance costs	(17,798,255)	(263,816)	(5,236)	-	(18,067,307)
Depreciation and amortisation	(1,839,317)	(955,517)	(53,810)	(5,238)	(2,853,882)
Share of profit of associates	714,766	-	-	-	714,766
(Loss)/gain on exchange differences	(5,643,164)	(816,591)	57,013	(18,845)	(6,421,587)
Allowance for expected credit losses	(274,569)	(120,547)	29,878	(2,411)	(367,649)
Income tax expense	1,518,005	(439,272)	(32,187)	(10,494)	1,036,052
Total assets	146,278,493	9,341,511	2,190,783	887,387	158,698,174
Investments in associates	15,651,546	-	-	5,000	15,656,546
Total liabilities	124,614,818	6,960,567	1,787,774	3,955,671	137,318,830
Capital expenditure	10,235,607	166,321	105,089	318	10,507,335

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial information (continued)
For the period ended March 31, 2024

(Amounts in thousands of Egyptian Pound)

22 Segment information (continued)

As at December 31, 2023 (audited)/or for the period ended March 31, 2023 (unaudited)	Communication, marine cables and infrastructure	Internet	Outsourcing	Others	Total
Revenue					
External customers - local	4,835,661	4,990,759	65,346	216,882	10,108,648
External customers - foreign	3,378,834	47,509	423,670	-	3,850,013
Total external customers	8,214,495	5,038,268	489,016	216,882	13,958,661
Inter-segment	2,581,517	29,954	519,493	456,312	3,587,276
Gross profit	3,553,154	2,469,394	227,535	29,837	6,279,920
Call costs	(1,939,623)	-	-	-	(1,939,623)
Salaries and other employee benefits	(2,118,458)	(421,094)	(249,221)	(65,951)	(2,854,724)
Interest income	195,359	20,400	649	3,602	220,010
Finance costs	(6,630,156)	(2,418)	(3,129)	(3,847)	(6,639,550)
Depreciation and amortisation	(1,205,277)	(637,972)	(51,152)	(1,426)	(1,895,827)
Share of profit of associates	825,309	-	-	-	825,309
(Loss)/gain on exchange differences	(2,606,518)	(805,052)	51,940	15,187	(3,344,443)
Allowance for expected credit losses	(98,987)	81,411	(7,444)	261	(24,759)
Income tax expense	234,179	(102,328)	(32,108)	(11,146)	88,597
Total assets	118,780,232	6,775,170	1,234,477	583,552	127,373,431
Investments in associates	13,090,563	-	-	1,250	13,091,813
Total liabilities	85,871,883	1,775,426	756,306	4,503,311	92,906,926
Capital expenditure	5,159,116	72,163	6,545	56	5,237,880

23 Comparative information

Reclassifications were made to certain comparative figures in the interim consolidated statement of financial position and the interim consolidated statement of profit or loss and other comprehensive income to comply to the current period's presentation as follows:

Effect on the consolidated statement of financial position as at December 31, 2023	As previously reported	Reclassification	As currently reported
Deferred income (non-current)	379,745	3,538,842	3,918,587
Trade and other payables (current)	33,374,117	(3,538,842)	29,835,275

Effect on the interim consolidated statement of profit or loss and other comprehensive income for the period ended March 31, 2023	As previously reported (Unaudited)	Reclassification (Unaudited)	As currently reported (Unaudited)
Other non-operating income	4,612	1,205,827	1,210,439
Other non-operating expense	(4,434,659)	4,434,659	-
Finance cost	(999,064)	(5,640,486)	(6,639,550)