

**TELECOM EGYPT COMPANY
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS PREPARED
IN ACCORDANCE WITH IFRS ACCOUNTING
STANDARDS
FOR THE PERIOD ENDED JUNE 30, 2025**

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Telecom Egypt Company (the "Company") and its subsidiaries (collectively referred to as the "Group"), comprising the interim consolidated statement of financial position as at June 30, 2025, and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes.

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

Scope of Review

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 statements 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 5 to the interim condensed consolidated financial statements, the Group's investment in Vodafone Egypt Telecommunications Company S.A.E. (the "Associate") is carried at EGP 18,461,379 thousand in the consolidated statement of financial position as at December 31, 2024, EGP 17,571,717 thousand and EGP 22,554,524 thousand as at June 30, 2024 and as at June 30, 2025, respectively. The Group's share of profit of the Associate of EGP 2,687,306 thousand and EGP 6,570,619 thousand is also included in the net profit or loss for the six-month periods ended June 30, 2024 and June 30, 2025, respectively, which was accounted for using the equity method in accordance with International Accounting Standard 28 *Investments in Associates and Joint Ventures* ("IAS 28"). We were not granted access to the Associate, and accordingly, we were unable to perform any related review procedure. 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 profit or loss and other comprehensive income and the related investment in associate included in the interim consolidated statement of financial position. Given the consolidated statement of profit or loss and other comprehensive income included the share of profit from such associate, therefore, our review report for June 30, 2024 and audit report on the consolidated financial statements of the Group for the year ended December 31, 2024 was also modified in respect of this matter.

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

Qualified Conclusion

Based on our review, with the exception of the matter referred to in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter – Fire Incident at Ramses Central Building

We draw attention to Note 23.1 to the interim condensed consolidated financial statements, which states that on July 7, 2025, a fire occurred in the equipment room of the Group's Ramses Central building, resulting in partial damage to the Group's property and equipment, and inventories. Management has determined that the net carrying amount of the damaged assets, amounting to EGP 1,483,568 thousand, and has written off the amount in profit or loss subsequently.

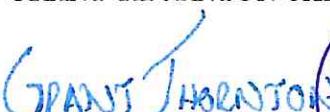
Additionally, the Group has received EGP 200 million in the subsequent period, which management has represented as an initial insurance compensation. Procedures to claim the remaining compensation are ongoing, pending the completion of official investigations. As of the date of our report, these investigations remain in progress. Accordingly, any potential impact on the Group's consolidated interim financial statements may determine upon their conclusion.

Our conclusion is not modified in respect of this matter.

Other Matter

The Group has also prepared interim condensed consolidated financial statements as at and for the six-month period ended June 30, 2025 in accordance with Egyptian Accounting Standards, which was reviewed by another auditor who expressed an unmodified conclusion on the financial statements on August 14, 2025.

GRANT THORNTON UAE


Dr. Osama El-Bakry
Registration No. 935
Dubai, United Arab Emirates



February 11, 2026

Telecom Egypt Company and its subsidiaries
Interim consolidated statement of financial position
As at June 30, 2025

(Amounts in thousands of Egyptian Pound)	Notes	June 30, 2025 (Unaudited)	December 31, 2024 Restated (Audited)
ASSETS			
Non-current assets			
Property and equipment	3	97,253,356	94,301,693
Right-of-use-assets		1,081,631	1,240,587
Intangible assets	4	24,047,345	24,528,028
Investments in associates	5	22,665,505	18,534,279
Financial assets at FVOCI		120,476	120,476
Trade and other receivables	6	96,714	107,262
Total non-current assets		145,265,027	138,832,325
Current assets			
Inventories		8,065,455	8,106,567
Trade and other receivables	6	26,559,803	24,131,248
Current income tax		339,210	740,252
Cash and bank balances	8	9,327,908	8,279,240
Total current assets		44,292,376	41,257,307
TOTAL ASSETS		189,557,403	180,089,632
EQUITY AND LIABILITIES			
Equity			
Share capital		17,070,716	17,070,716
Reserves		8,296,546	7,918,668
Retained earnings		9,371,490	1,754,407
Equity attributable to Owners of the Parent		34,738,752	26,743,791
Non-controlling interests		29,038	22,155
Total equity		34,767,790	26,765,946
Non-current liabilities			
Loans and borrowings	10	43,035,228	38,411,459
Lease liabilities		946,355	1,050,411
Trade payables	11	16,976,552	16,181,381
Deferred income	12	7,879,328	6,850,092
Deferred tax liabilities		2,567,542	1,197,491
Total non-current liabilities		71,405,005	63,690,834
Current liabilities			
Loans and borrowings	10	37,915,100	42,314,808
Lease liabilities		507,887	483,041
Trade and other payables	11	33,766,546	38,173,992
Deferred income	12	7,059,492	4,881,781
Amount due to an associate	7	2,632,430	2,468,657
Provisions		1,503,153	1,310,573
Total current liabilities		83,384,608	89,632,852
Total liabilities		154,789,613	153,323,686
TOTAL EQUITY AND LIABILITIES		189,557,403	180,089,632

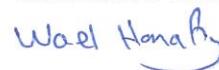
The attached notes on pages from 7 to 19 from an integral part of these interim condensed consolidated financial statements.

Ehab Abdo
Director of Financial Affairs

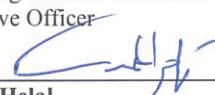


Board of Directors' approval

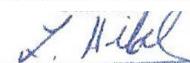
Wael Hanafy
Chief Financial Officer



Tamer Elmahdi
Managing Director and Chief
Executive Officer



Lobna Helal
Chair of the Board of Directors



Telecom Egypt Company and its subsidiaries
Interim consolidated statement of profit or loss and other comprehensive income
For the period ended June 30, 2025

(Amounts in thousands of Egyptian Pound)	Notes	Six-month period ended June 30,		Three-month period ended June 30,	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	13	50,597,057	37,952,947	25,799,080	20,466,279
Cost of revenue	14	(28,826,117)	(22,723,688)	(14,838,920)	(12,388,938)
Gross profit		21,770,940	15,229,259	10,960,160	8,077,341
Selling and marketing expenses	15	(3,175,974)	(2,942,572)	(1,599,269)	(1,622,341)
Administrative expenses	16	(4,246,843)	(3,657,845)	(2,139,766)	(1,868,064)
Allowance for expected credit losses on trade receivables		(538,975)	(451,515)	(314,949)	(83,866)
Other operating income		443,224	302,361	249,072	243,924
Other operating expenses	17	(803,304)	(6,622,588)	201,716	(39,251)
Operating profit		13,449,068	1,857,100	7,356,964	4,707,743
Finance income		1,326,206	326,155	847,918	122,560
Finance costs		(7,287,099)	(21,846,224)	(3,680,661)	(3,778,917)
Net finance costs		(5,960,893)	(21,520,069)	(2,832,743)	(3,656,357)
Other non-operating (expense)/income, net		(178,233)	1,593,978	(170,406)	85,396
Share of profit of associates - net of tax		6,611,516	2,707,428	3,398,059	1,992,662
PROFIT/(LOSS) BEFORE INCOME					
TAX		13,921,458	(15,361,563)	7,751,874	3,129,444
Income tax (expense)/credit		(3,409,552)	599,436	(1,905,746)	(436,616)
NET PROFIT / (LOSS) FOR THE PERIOD		10,511,906	(14,762,127)	5,846,128	2,692,828
Other comprehensive income					
<i>Item that may be re-classified to profit or loss in subsequent periods</i>					
Exchange differences on translation of foreign operations		91,467	788,625	58,914	52,368
Total other comprehensive income		91,467	788,625	58,914	52,368
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		10,603,373	(13,973,502)	5,905,042	2,745,196
Net profit/(loss) attributable to:					
Owners of the Parent		10,499,409	(14,765,356)	5,841,268	2,691,207
Non-controlling interests		12,497	3,229	4,860	1,620
Net profit/(loss) for the period		10,511,906	(14,762,127)	5,846,128	2,692,827
Total comprehensive income/(loss) attributable to:					
Owners of the Parent		10,590,876	(13,976,731)	5,900,182	2,743,576
Non-controlling interests		12,497	3,229	4,860	1,620
Total comprehensive income/(loss) for the period		10,603,373	(13,973,502)	5,905,042	2,745,196
Earnings per share:					
Basic and diluted earnings/(loss) per share (EGP)	18	6.16	(8.65)	3.42	1.58

The attached notes on pages from 7 to 19 from an integral part of these interim condensed consolidated financial statements.

Telecom Egypt Company and its subsidiaries
Interim consolidated statement of changes in equity
For the period ended June 30, 2025

(Amounts in thousands of Egyptian Pound)

	Total equity attributable to Owners of the Company							Non-controlling interests	Total equity		
	Share capital	Legal reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total					
Balances 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	-	-	-	-	(14,765,356)	(14,765,356)	3,229	(14,762,127)			
Other comprehensive income	-	-	788,625	-	-	788,625	-	788,625			
Total comprehensive loss for the period	-	-	788,625	-	(14,765,356)	(13,976,731)	3,229	(13,973,502)			
Transfer to legal reserve	-	220,818	-	-	(220,818)	-	-	-			
Dividends (Note 9)	-	-	-	-	(2,560,607)	(2,560,607)	(5,646)	(2,566,253)			
Balance as at June 30, 2024 (unaudited)	17,070,716	3,478,953	1,495,987	2,754,179	(689,318)	24,110,517	14,022	24,124,539			
Balance as at January 1, 2025 (audited)	17,070,716	3,397,336	1,706,212	2,815,120	1,754,407	26,743,791	22,155	26,765,946			
Net profit for the period	-	-	-	-	10,499,409	10,499,409	12,497	10,511,906			
Other comprehensive income	-	-	91,467	-	-	91,467	-	91,467			
Total comprehensive income for the period	-	-	91,467	-	10,499,409	10,590,876	12,497	10,603,373			
Transfer to legal reserve	-	286,411	-	-	(286,411)	-	-	-			
Dividends (Note 9)	-	-	-	-	(2,560,607)	(2,560,607)	(5,614)	(2,566,221)			
Other adjustments	-	-	-	-	(35,308)	(35,308)	-	(35,308)			
Balance as at June 30, 2025 (unaudited)	17,070,716	3,683,747	1,797,679	2,815,120	9,371,490	34,738,752	29,038	34,767,790			

The attached notes on pages from 7 to 19 from an integral part of these interim condensed financial statements.

Telecom Egypt Company and its subsidiaries
Interim consolidated statement of cash flows
For the period ended June 30, 2025

(Amounts in thousands of Egyptian Pound)	Six-month period ended June 30,		
	Notes	2025 (Unaudited)	2024 (Unaudited)
Operating activities			
Profit/(loss) for the period before tax		13,921,458	(15,361,563)
<i>Adjustments for:</i>			
Depreciation of property and equipment	3	5,752,384	4,856,566
Depreciation of right-of-use assets		209,364	174,037
Amortisation of intangible assets	4	832,084	914,854
Share of profit of associates - net of tax		(6,611,516)	(2,707,428)
Allowance for expected credit losses on trade receivables		538,975	451,515
Provision/(reversal) for slow moving inventories		972	(146)
Provisions made during the period		198,297	95,110
Net foreign exchange differences		416,173	2,803,472
Dividend income		(3,335)	(16,523)
Finance costs		7,287,099	21,846,224
Finance income		(1,326,206)	(326,155)
		21,215,749	12,729,963
<i>Working capital changes:</i>			
Trade and other receivables		(2,372,722)	(7,087,617)
Inventories		40,140	(1,666,007)
Trade and other payables		2,154,645	10,249,368
Amount due to an associate		163,773	(710,655)
Provisions		(5,717)	(424,375)
Deferred income		3,206,947	4,471,034
Restricted bank balances		66,473	(158,409)
Cash from operations		24,469,288	17,403,302
Income tax paid		(794,973)	(14,010)
Net cash flows from operating activities		23,674,315	17,389,292
Investing activities			
Purchase of property and equipment		(13,198,941)	(20,844,325)
Purchase of intangible assets		(1,181,068)	(6,475,490)
Proceeds from disposal of property and equipment and intangibles assets		533	64
Proceeds from disposal of treasury bills with initial maturity of more than 3 months		114,740	70,679
Net cash flows used in investing activities		(14,075,233)	(27,055,994)
Financing activities			
Repayment of loans and borrowings		(18,317,421)	(1,839,708)
Proceeds from loans and borrowings		19,534,500	14,802,106
Interest paid		(6,871,094)	(4,525,173)
Payments of lease liabilities		(267,315)	(213,924)
Dividends paid to Owners of the Parent		(2,560,607)	(2,560,607)
Dividends paid to non-controlling interests		(5,614)	(5,646)
Net cash flows (used in)/from financing activities		(8,487,551)	5,657,048
Net change in cash and cash equivalents		1,111,531	(4,009,654)
Cash and cash equivalents at January 1,		7,565,330	10,442,683
Net foreign exchange difference		3,610	240,844
Cash and cash equivalents at June 30,	8	8,680,471	6,673,873

The attached notes on pages from 7 to 19 from an integral part of these interim condensed consolidated financial statements.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements
For the period ended June 30, 2025

(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 26th Ramses Street, Cairo, Egypt.

As at June 30, 2025, 70% of the Company’s shares are held by the Government of Egypt (2024: 70%) and the remaining 30% are listed on the Egypt Stock Exchange (“Egyptian Exchange”) (2024: 30%). In addition, the Company’s global depositary 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 statements of the Group for the six-month period ended June 30, 2025 comprise the financial statements 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, 2024, which remains unchanged.

The Group has also prepared interim condensed consolidated financial statements in accordance with Egyptian Accounting Standards for the six-month period ended June 30, 2025, which do not constitute part of these interim condensed consolidated financial statements and were issued on August 13, 2025 and published on the Egyptian Exchange.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended June 30, 2025

(Amounts in thousands of Egyptian Pound)

2 Statement of compliance and material accounting policies

a) Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* (IAS 34), as issued by the International Accounting Standard Board.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024.

In addition, the results for the six-month period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ended December 31, 2025.

The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended December 31, 2024.

b) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Egyptian Pounds ("EGP"), which is also the Company's functional currency. All values are rounded to the nearest thousand (EGP "000"), unless otherwise indicated.

c) Significant accounting estimates and judgments

The preparation of the interim condensed consolidated financial statements 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, 2024.

d) Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention except for financial assets at fair value through other comprehensive income, which are measured at fair value.

e) New Standards, Interpretations and Amendments adopted as at January 1, 2025

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after January 1, 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The Group's management assessed that the amendments did not have any impact on the Group's consolidated financial statements.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended June 30, 2025

(Amounts in thousands of Egyptian Pound)

2 Statement of compliance and material accounting policies (continued)

f) 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, 2024.

3 Property and equipment

During the period ended June 30, 2025, the Group acquired property and equipment amounting to EGP 8,737,409 (2024: EGP 13,602,325).

Depreciation charge on property and equipment for the period ended June 30, 2025 amounted to EGP 5,752,384 (2024: EGP 4,856,566).

4 Intangible assets

During the period ended June 30, 2025, the Group acquired intangible assets amounting to EGP 431,984 (2024: EGP 5,403,066).

Amortisation charge on intangible assets for the period ended June 30, 2025 amounted to EGP 832,084 (2024: EGP 914,854).

5 Investments in associates

The Group has the following investments in associates:

	Ownership		Carrying amount	
	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Vodafone Egypt Telecommunication Company S.A.E	44.95%	44.95%	22,554,524	18,461,379
Egypt Trust	35.71%	35.71%	104,363	67,900
New matrix for technology	25.50%	25.50%	6,618	5,000
Wataneya for Telecommunication*	50.00%	50.00%	-	-
			22,665,505	18,534,279

*Investment in Wataneya for Telecommunication amounting to EGP 0.125 million was 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 June 30, 2025 and December 31, 2024. The movement in the investment for the period is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
As at January 1,	18,461,379	14,884,411
Share of net profit and total comprehensive income	6,570,619	7,049,291
Dividends	(2,477,474)	(3,472,323)
	22,554,524	18,461,379

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.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended June 30, 2025

(Amounts in thousands of Egyptian Pound)

6 Trade and other receivables

	June 30, 2025	December 31, 2024	
			Restated
	(Unaudited)		(Audited)
Trade receivables – foreign, net	8,800,475	10,972,402	
Trade receivables – local, net	7,127,627	5,670,230	
Notes receivable	467,694	404,871	
Trade and notes receivable, net	16,395,796	17,047,503	
Due from ministries, organisations, companies	2,233,602	1,400,200	
Advance payments to suppliers	1,785,838	1,526,384	
Value added taxes	861,829	1,502,445	
Deposits with others	357,037	350,355	
Other receivables	5,022,415	2,411,623	
Other receivables	10,260,721	7,191,007	
	26,656,517	24,238,510	
Non-current (Advance payments to suppliers)	96,714	107,262	
Current	26,559,803	24,131,248	
	26,656,517	24,238,510	

7 Related parties

Identity of related parties

The Group's related parties include its associates mainly 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 June 30, 2025, the Group incurred cost of revenue of EGP 3,534 million (2024: EGP 2,465 million) in relation to receipt of telecommunications and related services from the associate.

The Group earned revenue of EGP 2,708 million from telecommunication and related services provided to the associate during the period ended June 30, 2025 (2024: EGP 2,322 million).

The balance due to Vodafone Egypt Telecommunications Company S.A.E. at June 30, 2025 amounts to EGP 2,632 million. (2024: EGP 2,469 million). 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 5.

Transactions and balances with the Government of Egypt

As disclosed in Note 1, the Company is 70% owned by the Government of Egypt (2024: 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 these interim condensed consolidated financial statements.

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7 Related parties (continued)

Key management compensation

During the six-month periods ended June 30, 2025 and 2024, the Group incurred salaries, allowances and other benefits to its key management personal, and included these expenses within salaries and wages in the interim consolidated statement of profit or loss and other comprehensive income.

8 Cash and cash equivalents

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Bank balances - current accounts	5,346,413	5,687,977
Bank balances - time deposits	3,701,735	2,440,390
Money market funds	236,400	144,522
Cash in hand	43,360	6,351
Cash and cash balances	9,327,908	8,279,240
Less: restricted bank balances*	(647,437)	(713,910)
Cash and cash equivalents	8,680,471	7,565,330

Treasury bills, time deposits and money market funds have an initial maturity of less than 3 months and carry interest rates as follows:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
EGP	4.5% to 26.14%	4.5% to 25.4%
USD	SOFR plus 1 %	SOFR 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.

9 Dividends

On March 25, 2025, the General Assembly approved the distribution of dividends of EGP 1.5 per share amounting to EGP 2,560,607 thousand (2024: EGP 1.5 per share amounting to EGP 2,560,607 thousand).

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10 Loans and borrowings

	June 30, 2025	December 31, 2024
	Restated (Unaudited)	(Audited)
Non-current liabilities		
Foreign loans	26,536,428	28,151,518
Local loan and facilities – local currencies	16,498,800	10,259,941
	43,035,228	38,411,459
Current liabilities		
Local facilities – local currencies	23,123,761	26,016,818
Foreign loans	11,878,222	11,031,819
Local loans	1,501,200	-
Local facilities – foreign currencies	1,407,318	5,261,988
Supplier facilities	4,599	4,183
	37,915,100	42,314,808

11 Trade and other payables

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Trade payables		
Trade payables	35,953,016	39,699,582
Notes payable	66,398	52,322
Trade and notes payables	36,019,414	39,751,904
Due to National Telecommunication Regulatory Authority (NTRA)		
Due to National Telecommunication Regulatory Authority (NTRA)	3,705,517	3,901,165
Other taxes payable	2,724,102	1,364,322
Advances from customers	1,713,442	1,552,758
Accrued expenses	1,711,368	3,052,100
Deposits from others	1,111,183	1,079,078
Other payables	3,758,072	3,654,046
Total other payables	14,723,684	14,603,469
Total trade and other payables	50,743,098	54,355,373
Non-current portion (trade payables)		
Non-current portion (trade payables)	16,976,552	16,181,381
Current portion	33,766,546	38,173,992
Total trade and other payables	50,743,098	54,355,373

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12 Deferred income

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Complementary access customers	7,537,049	6,523,487
Transmission services	3,048,081	746,924
Operating services and maintenance	1,754,215	1,942,877
Internet and telecommunications services	1,398,458	1,349,434
Mobile services	1,160,105	1,128,239
Customers compensations	40,912	40,912
Total deferred income	14,938,820	11,731,873
Non-current portion	7,879,328	6,850,092
Current portion	7,059,492	4,881,781
Total deferred income	14,938,820	11,731,873

13 Revenue

13.1 Disaggregated revenue information

i. By geographical location:

	Six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Local - within Egypt	34,537,354	25,765,077
Foreign - outside Egypt	16,059,703	12,187,870
	50,597,057	37,952,947

ii. By product line:

	Six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Home and personal communications	24,700,018	17,223,273
International carrier	9,301,100	6,147,066
International cables and networks	6,758,603	6,040,804
Domestic wholesale	5,049,957	4,369,622
Enterprise	4,787,379	4,172,182
	50,597,057	37,952,947

iii. By timing of recognition:

	Six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Goods and services transferred at a point in time	19,744,246	15,463,532
Goods and services transferred over time	30,852,811	22,489,415
	50,597,057	37,952,947

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

13 Revenue (continued)

13.2 Contract balances

	June 30, 2025	December 31, 2024
	(Unaudited)	(Unaudited)
Trade receivables (Note 6)	15,928,102	14,706,413
Notes receivable (Note 6)	467,694	200,003
Total contract receivables	16,395,796	14,906,416
Advances from customers (Note 11)	1,713,442	2,245,748
Deferred income (Note 12)	14,938,820	10,123,344
Total contract liabilities	16,652,262	12,369,092

14 Cost of revenue

	Six-month period ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Call cost	7,962,246	5,895,029
Depreciation of property and equipment	5,698,949	4,783,584
Salaries and other employee benefits	3,970,737	3,366,065
Organisations' service cost	2,698,143	2,047,996
Frequencies and licenses	2,546,746	1,890,664
Cost of goods sold	1,032,308	874,468
Amortisation of intangible assets	832,084	914,854
Fuel	824,714	535,724
Leased circuits and satellite subscriptions	797,872	396,581
Maintenance	691,230	464,805
(IRU) outside Egypt	153,719	296,874
Amortisation of right of use assets	119,193	89,647
Others	1,498,176	1,167,397
	28,826,117	22,723,688

15 Selling and distribution expenses

	Six-month period ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Salaries and other employee benefits	1,766,871	1,531,073
Advertisements	692,413	831,339
Sales and collection commissions	518,695	442,782
Depreciation of right-of-use assets	34,008	32,618
Organisations' service cost	16,840	10,584
Depreciation of property and equipment	14,760	6,013
Tax and fees	11,048	14,086
Others	121,339	74,077
	3,175,974	2,942,572

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16 Administrative expenses

	Six-month period ended June 30,	2024
	2025 (Unaudited)	(Unaudited)
Salaries and other employee benefits	2,953,073	2,652,972
Organisations' service cost	453,698	318,088
Tax and duties	258,335	246,292
Takaful contribution expense	163,742	120,691
Depreciation of right-of-use assets	56,163	51,772
Depreciation of property and equipment	38,675	66,969
Bank charges	35,119	38,042
Others	288,038	163,019
	4,246,843	3,657,845

17 Other operating expenses

	Six-month period ended June 30,	2024
	2025 (Unaudited)	(Unaudited)
Translation loss on foreign currencies balances and transactions	545,111	6,404,242
Provisions	180,774	94,720
Donations	66,490	111,513
Others	10,929	12,113
	803,304	6,622,588

18 Earnings per share

Basic and diluted earnings /(loss) per share

The basic and diluted earnings/(loss) per share have been calculated as follows:

	Six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
EGP in thousands		
Net profit/(loss) attributable to Owners of the Parent	10,511,906	(14,762,127)
Number of shares in thousands		
Ordinary shares as at January 1,	1,707,072	1,707,072
Ordinary shares as at June 30,	1,707,072	1,707,072
Weighted average number of ordinary shares in issue	1,707,072	1,707,072
Basic and diluted earnings/(loss) per share (EGP)	6.16	(8.65)

19 Commitments

The Group's capital commitments as at June 30, 2025 amounted to EGP 1,400 million (unaudited) (December 31, 2024: EGP 2,194 million (audited)).

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

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(Amounts in thousands of Egyptian Pound)

20 Contingencies

The Group has the following contingent liabilities:

	June 30, 2025 (Unaudited)	December 31, 2024 (Unaudited)
Contingencies - Group		
Letters of guarantee issued by banks on behalf of the Group	4,076,779	3,868,736
Contingencies – Group's share		
Letters of guarantee issued by banks on behalf of an associate	575,810	204,522

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 8). Management does not expect that any significant liability will result from these contingencies.

21 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 communication, 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 statements.

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21 Segment information (continued)

For the period ended/as at June 30, 2025 (unaudited)	Communication , marine cables and infrastructure	Internet	Outsourcing	Others	Total
Revenue					
External customers - local	12,562,030	21,212,120	243,459	519,745	34,537,354
External customers - foreign	14,478,382	243,034	1,338,287	-	16,059,703
Total external customers	27,040,412	21,455,154	1,581,746	519,745	50,597,057
Inter-segment	9,182,153	2,013,796	104,157	1,631,773	12,931,879
Gross profit	10,429,799	10,907,374	366,353	67,414	21,770,940
Call cost	(7,962,246)	-	-	-	(7,962,246)
Salaries and other employee benefits	(6,278,866)	(1,313,609)	(963,936)	(134,270)	(8,690,681)
Interest income	316,782	27,669	24,658	20,878	389,987
Finance costs	(7,246,665)	(8,564)	(31,359)	(511)	(7,287,099)
Depreciation and amortisation	(4,301,600)	(2,328,623)	(154,716)	(8,893)	(6,793,832)
Share of profit of associates - net of tax	6,607,774	-	-	3,742	6,611,516
Gain on foreign exchange differences	109,497	22,764	22,935	54,344	209,540
Allowance for expected credit losses on trade receivables	(311,012)	(225,737)	(1,909)	(317)	(538,975)
Income tax expense	(1,937,754)	(1,389,459)	(48,403)	(33,936)	(3,409,552)
Total assets	177,526,712	5,737,172	2,649,878	3,643,641	189,557,403
Investments in associates	22,658,887	-	-	6,618	22,665,505
Total liabilities	146,191,708	6,999,383	988,739	609,783	154,789,613

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21 Segment information (continued)

For the period ended June 30, 2024 (unaudited)/as at December 31, 2024 (audited)	Communication , marine cables and infrastructure	Internet	Outsourcing	Others	Total
Revenue					
External customers - local	10,443,315	14,714,416	435,815	171,531	25,765,077
External customers - foreign	1,252,793	162,810	10,772,267	-	12,187,870
Total external customers	11,696,108	14,877,226	11,208,082	171,531	37,952,947
Inter-segment	2,976,857	38,200	733,950	294,633	4,043,640
Gross profit	7,148,625	7,420,066	592,588	67,980	15,229,259
Call cost	(5,895,029)	-	-	-	(5,895,029)
Salaries and other employee benefits	(5,680,213)	(1,055,664)	(721,721)	(92,512)	(7,550,110)
Interest income	266,387	43,163	6,061	10,544	326,155
Finance costs	(21,501,407)	(307,723)	(37,094)	-	(21,846,224)
Depreciation and amortisation	(3,998,310)	(1,817,340)	(123,250)	(6,557)	(5,945,457)
Share of profit of associates - net of tax	2,707,428	-	-	-	2,707,428
(Loss)/gain on foreign exchange differences	(5,619,471)	(816,591)	13,592	18,228	(6,404,242)
Allowance for expected credit losses on trade receivables	(274,569)	(201,916)	29,743	(4,773)	(451,515)
Income tax credit/(expense)	1,435,896	(701,202)	(91,234)	(44,024)	599,436
Total assets	164,096,663	11,256,985	3,021,456	1,714,528	180,089,632
Investments in associates	18,529,279	-	-	5,000	18,534,279
Total liabilities	139,166,106	8,241,635	1,658,963	4,256,982	153,323,686

22 Comparative information

Reclassifications were made to certain comparative figures in the interim consolidated statement of financial position to comply to the current period's presentation as follows:

Effect on the consolidated statement of financial position as at December 31, 2024	As previously reported	Reclassification	As currently reported
Property and equipment	92,539,466	1,762,227	94,301,693
Trade and other receivables	26,000,737	(1,762,227)	24,238,510

In addition to the above, reclassifications within certain financial statement line items were also made to ensure consistency and comparability with the current period's presentation.

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23 Events after the reporting date

23.1 Ramses central fire accident

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

The fire caused partial damage to various property and equipment and inventories on site, including part of the building structure, certain technical equipment, and furniture. The cost of the damaged property and equipment and inventories amounted to EGP 2,343,107 thousand with a net carrying amount of EGP 1,483,568 thousand, which was written-off in profit or loss net of the insurance compensation received.

The Group has received EGP 200 million as insurance compensation, and procedures for claiming the remaining compensation are still underway in accordance with the available insurance coverage, pending the completion of the ongoing investigations.

23.2 Partial disposal of an operation

On September 3, 2025, the Group publicly announced the decision of its Board of Directors for the partial disposal of its Regional Data Hub ("RDH") operation by transferring the related assets to a newly established subsidiary as part of a Group restructuring whereby the Group will own a minority stake in the subsidiary.