

**TELECOM EGYPT COMPANY
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS PREPARED
IN ACCORDANCE WITH IFRS ACCOUNTING
STANDARDS
FOR THE PERIOD ENDED MARCH 31, 2025**

| | Page(s) |
|---|----------------|
| Report on review of interim condensed consolidated financial statements | 1 - 2 |
| Interim consolidated statement of financial position | 3 |
| Interim consolidated statement of profit or loss and other comprehensive income | 4 |
| Interim consolidated statement of changes in equity | 5 |
| Interim consolidated statement of cash flows | 6 |
| Notes to the interim condensed consolidated financial statements | 7 - 19 |

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 March 31, 2025, and the related interim consolidated statement of profit or loss and other comprehensive income for the three-month period then ended, and the related interim consolidated statements of changes in equity and cash flows for the three-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 15,586,913 thousand and EGP 21,658,819 thousand as at March 31, 2024 and at March 31, 2025, respectively. The Group's share of profit of the Associate of EGP 702,502 thousand and EGP 3,197,440 thousand is also included in the net profit or loss for the three-month periods ended March 31, 2024 and March 31, 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 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 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 March 31, 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 three-month period ended March 31, 2025 in accordance with Egyptian Accounting Standards, which was reviewed by another auditor who expressed an unmodified conclusion on the financial statements on May 13, 2025.

GRANT THORNTON UAE

GRANT THORNTON

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

February 11, 2026

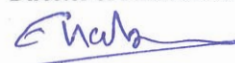


Telecom Egypt Company and its subsidiaries
Interim consolidated statement of financial position
As at March 31, 2025

| (Amounts in thousands of Egyptian Pound) | Notes | March 31, 2025 (Unaudited) | December 31, 2024 Restated (Audited) |
|--|-------|----------------------------------|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 3 | 93,730,208 | 94,301,693 |
| Right-of-use-assets | | 1,156,394 | 1,240,587 |
| Intangible assets | 4 | 24,124,465 | 24,528,028 |
| Investments in associates | 5 | 21,743,994 | 18,534,279 |
| Financial assets at FVOCI | | 120,476 | 120,476 |
| Trade and other receivables | 6 | 102,619 | 107,262 |
| Total non-current assets | | 140,978,156 | 138,832,325 |
| Current assets | | | |
| Inventories | | 8,067,348 | 8,106,567 |
| Trade and other receivables | 6 | 27,357,681 | 24,131,248 |
| Current income tax | | 5,552 | 740,252 |
| Cash and bank balances | 8 | 12,835,886 | 8,279,240 |
| Total current assets | | 48,266,467 | 41,257,307 |
| TOTAL ASSETS | | 189,244,623 | 180,089,632 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 17,070,716 | 17,070,716 |
| Reserves | | 8,085,014 | 7,918,668 |
| Retained earnings | | 3,682,840 | 1,754,407 |
| Equity attributable to Owners of the Parent | | 28,838,570 | 26,743,791 |
| Non-controlling interests | | 24,178 | 22,155 |
| Total equity | | 28,862,748 | 26,765,946 |
| Non-current liabilities | | | |
| Loans and borrowings | 10 | 40,748,136 | 38,411,459 |
| Lease liabilities | | 997,246 | 1,050,411 |
| Trade payables | 11 | 17,400,482 | 16,181,381 |
| Deferred income | 12 | 7,330,900 | 6,850,092 |
| Deferred tax liabilities | | 1,576,281 | 1,197,491 |
| Total non-current liabilities | | 68,053,045 | 63,690,834 |
| Current liabilities | | | |
| Loans and borrowings | 10 | 43,368,112 | 42,314,808 |
| Lease liabilities | | 500,577 | 483,041 |
| Trade and other payables | 11 | 37,110,590 | 38,173,992 |
| Deferred income | 12 | 8,607,173 | 4,881,781 |
| Amount due to an associate | 7 | 1,381,608 | 2,468,657 |
| Provisions | | 1,360,770 | 1,310,573 |
| Total current liabilities | | 92,328,830 | 89,632,852 |
| Total liabilities | | 160,381,875 | 153,323,686 |
| TOTAL EQUITY AND LIABILITIES | | 189,244,623 | 180,089,632 |

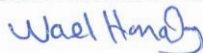
The attached notes on pages from 7 to 19 from an integral part of these interim condensed consolidated financial statements.

Ehab Abdo
 Director of Financial Affairs



Board of Directors' approval

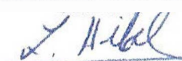
Wael Hanafy
 Chief Financial Officer



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 March 31, 2025

| (Amounts in thousands of Egyptian Pound) | Notes | Three-month period ended March 31, | |
|---|-------|------------------------------------|---------------------|
| | | 2025 (Unaudited) | 2024 (Unaudited) |
| Revenue | 13 | 24,797,977 | 17,486,668 |
| Cost of revenue | 14 | (13,987,197) | (10,334,749) |
| Gross profit | | 10,810,780 | 7,151,919 |
| Selling and marketing expenses | 15 | (1,576,705) | (1,320,231) |
| Administrative expenses | 16 | (2,107,077) | (1,789,781) |
| Allowance for expected credit losses on trade receivables | | (224,026) | (367,649) |
| Other operating income | | 194,152 | 58,437 |
| Other operating expenses | 17 | (1,005,020) | (6,583,337) |
| Operating profit/(Loss) | | 6,092,104 | (2,850,642) |
| Finance income | | 478,288 | 203,595 |
| Finance costs | | (3,606,438) | (18,067,307) |
| Net finance costs | | (3,128,150) | (17,863,712) |
| Other non-operating (expense)/income, net | | (7,827) | 1,508,582 |
| Share of profit of associates - net of tax | | 3,213,457 | 714,766 |
| PROFIT/(LOSS) BEFORE INCOME TAX | | 6,169,584 | (18,491,006) |
| Income tax (expense)/credit | | (1,503,806) | 1,036,052 |
| NET PROFIT/(LOSS) FOR THE PERIOD | | 4,665,778 | (17,454,954) |
| Other comprehensive income | | | |
| <i>Item that may be reclassified to profit or loss in subsequent periods:</i> | | | |
| Exchange differences on translation of foreign operations | | 32,553 | 736,257 |
| Total other comprehensive income | | 32,553 | 736,257 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | | 4,698,331 | (16,718,697) |
| Net profit/(loss) attributable to: | | | |
| Owners of the Parent | | 4,658,141 | (17,456,563) |
| Non-controlling interests | | 7,637 | 1,609 |
| Net profit/(loss) for the period | | 4,665,778 | (17,454,954) |
| Total comprehensive income/(loss) attributable to: | | | |
| Owners of the Parent | | 4,690,694 | (16,720,306) |
| Non-controlling interests | | 7,637 | 1,609 |
| Total comprehensive income/(loss) for the period | | 4,698,331 | (16,718,697) |
| Earnings per share: | | | |
| Basic and diluted earnings/(loss) per share (EGP) | 18 | 2.73 | (10.23) |

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 March 31, 2025

(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, 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 9) | - | - | - | - | (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 |
| | | | | | | | | |
| 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 | - | - | - | - | 4,658,141 | 4,658,141 | 7,637 | 4,665,778 |
| Other comprehensive income | - | - | 32,553 | - | - | 32,553 | - | 32,553 |
| Total comprehensive income for the period | - | - | 32,553 | - | 4,658,141 | 4,690,694 | 7,637 | 4,698,331 |
| Transfer to legal reserve | - | 133,793 | - | - | (133,793) | - | - | - |
| 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 March 31, 2025 (unaudited) | 17,070,716 | 3,531,129 | 1,738,765 | 2,815,120 | 3,682,840 | 28,838,570 | 24,178 | 28,862,748 |

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 cash flows
For the period ended March 31, 2025

| (Amounts in thousands of Egyptian Pound) | | Three-month period ended March 31, | |
|--|-------|------------------------------------|---------------------|
| | Notes | 2025 (Unaudited) | 2024 (Unaudited) |
| Operating activities | | | |
| Profit/(loss) for the period before tax | | 6,169,584 | (18,491,006) |
| <i>Adjustments for:</i> | | | |
| Depreciation of property and equipment | 3 | 2,646,040 | 2,318,172 |
| Depreciation of right-of-use assets | | 103,855 | 81,061 |
| Amortisation of intangible assets | 4 | 431,785 | 454,649 |
| Share of profit of associates - net of tax | | (3,213,457) | (714,766) |
| Allowance for expected credit losses on trade receivables | | 224,026 | 367,649 |
| Provision/(reversal) for slow moving inventories | | 594 | (146) |
| Provisions made during the period | | 55,000 | 50,147 |
| Net foreign exchange differences | | 784,288 | 4,736,721 |
| Dividend income | | (3,335) | (6,093) |
| Finance costs | | 3,606,438 | 18,067,307 |
| Finance income | | (478,288) | (203,595) |
| | | 10,326,530 | 6,660,100 |
| <i>Working capital changes:</i> | | | |
| Trade and other receivables | | (2,485,112) | (4,195,440) |
| Inventories | | 38,625 | (421,994) |
| Trade and other payables | | 50,561 | 6,980,033 |
| Amount due to an associate | | (1,087,049) | (1,759,632) |
| Provisions | | (4,803) | (343,189) |
| Deferred income | | 4,206,200 | 3,956,553 |
| Restricted bank balances | | (8,187) | (237,205) |
| Cash from operations | | 11,036,765 | 10,639,226 |
| Income tax paid | | (140,054) | (279,219) |
| Net cash flows from operating activities | | 10,896,711 | 10,360,007 |
| Investing activities | | | |
| Purchase of property and equipment | | (6,213,131) | (8,544,224) |
| Purchase of intangible assets | | (593,088) | (6,464,027) |
| Proceeds from disposal of property and equipment and intangibles assets | | 491 | 42 |
| Proceeds from disposal of treasury bills with initial maturity of more than 3 months | | 104,153 | 54,540 |
| Additional investment in an associate | | - | (3,750) |
| Interest received | | 69,919 | 112,368 |
| Net cash flows used in investing activities | | (6,631,656) | (14,845,051) |
| Financing activities | | | |
| Repayment of loans and borrowings | | (2,095,470) | (909,581) |
| Proceeds from loans and borrowings | | 5,707,510 | 6,330,128 |
| Interest paid | | (3,202,757) | (1,741,603) |
| Payments of lease liabilities | | (128,337) | (108,109) |
| Net cash flows from financing activities | | 280,946 | 3,570,835 |
| Net change in cash and cash equivalents | | 4,546,001 | (914,209) |
| Cash and cash equivalents at January 1, | | 7,565,330 | 10,442,683 |
| Net foreign exchange difference | | 2,458 | 150,698 |
| Cash and cash equivalents at March 31, | 8 | 12,113,789 | 9,679,172 |

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 March 31, 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 March 31, 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 three-month period ended March 31, 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 three-month period ended March 31, 2025, which do not constitute part of these interim condensed consolidated financial statements and were issued on May 12, 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 March 31, 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 three-month period ended March 31, 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 three-month period ended March 31, 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 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 March 31, 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 March 31, 2025, the Group acquired property and equipment amounting to EGP 2,112,198 (2024: EGP 5,421,695).

Depreciation charge on property and equipment for the period ended March 31, 2025 amounted to EGP 2,646,040 (2024: EGP 2,318,172).

4 Intangible assets

During the period ended March 31, 2025, the Group acquired intangible assets amounting to EGP 107,841 (2024: EGP 4,964,680).

Amortisation charge on intangible assets for the period ended March 31, 2025 amounted to EGP 431,785 (2024: EGP 454,649).

5 Investments in associates

The Group has the following investments in associates:

| | Ownership | | Carrying amount | |
|---|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
| Vodafone Egypt Telecommunication Company S.A.E. | 44.95% | 44.95% | 21,658,819 | 18,461,379 |
| Egypt Trust | 35.71% | 35.71% | 78,557 | 67,900 |
| New matrix for technology | 25.50% | 25.50% | 6,618 | 5,000 |
| Wataneya for Telecommunication* | 50.00% | 50.00% | - | - |
| | | | 21,743,994 | 18,534,279 |

*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, 2025 and December 31, 2024. The movement in the investment is as follows:

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--|----------------------------------|-----------------------------------|
| As at January 1, | 18,461,379 | 14,884,411 |
| Share of net profit and total comprehensive income | 3,197,440 | 7,049,291 |
| Dividends | - | (3,472,323) |
| | 21,658,819 | 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 March 31, 2025

(Amounts in thousands of Egyptian Pound)

6 Trade and other receivables

| | March 31, 2025 (Unaudited) | December 31, 2024 Restated (Audited) |
|---|---|---|
| Trade receivables – foreign, net | 11,286,134 | 10,972,402 |
| Trade receivables – local, net | 7,752,295 | 5,670,230 |
| Notes receivable | 391,776 | 404,871 |
| Trade and notes receivable, net | 19,430,205 | 17,047,503 |
| Due from ministries, organisations, companies | 2,283,431 | 1,400,200 |
| Value added taxes | 1,618,484 | 1,502,445 |
| Advance payments to suppliers | 1,376,457 | 1,526,384 |
| Deposits with others | 353,342 | 350,355 |
| Other receivables | 2,398,381 | 2,411,623 |
| Other receivables | 8,030,095 | 7,191,007 |
| | 27,460,300 | 24,238,510 |
| Non-current | 102,619 | 107,262 |
| Current | 27,357,681 | 24,131,248 |
| | 27,460,300 | 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 March 31, 2025 the Group incurred cost of revenue of EGP 1,701 million (2024: 1,052 million) in relation of receipt of telecommunications and related services from the associate.

The Group earned revenue of EGP 1,855 million from telecommunications and related services provided to the associate during the period ended March 31, 2025 million (2024: 1,200 million).

The balance due to Vodafone Egypt Telecommunications Company S.A.E. at March 31, 2025 amounts to EGP 1,382 million (2024: receivable of 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.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

7 Related parties (continued)

Key management compensation

During the three-month periods ended March 31, 2025 and 2024, 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.

8 Cash and cash equivalents

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|----------------------------------|---|--|
| Bank balances - current accounts | 5,571,822 | 5,687,977 |
| Bank balances - time deposits | 4,828,350 | 2,440,390 |
| Treasury bills | 2,220,138 | - |
| Money market funds | 161,609 | 144,522 |
| Cash in hand | 53,967 | 6,351 |
| Cash and cash balances | 12,835,886 | 8,279,240 |
| Less: restricted bank balances* | (722,097) | (713,910) |
| Cash and cash equivalents | 12,113,789 | 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:

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|-----|---|--|
| EGP | 4.5% to 22.67% | 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).

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

10 Loans and borrowings

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---------------------------------------|---|--|
| Non-current liabilities | | |
| Foreign loans | 31,498,736 | 28,151,518 |
| Local facilities – foreign currencies | 9,249,400 | 10,259,941 |
| | 40,748,136 | 38,411,459 |
| Current liabilities | | |
| Local facilities – local currencies | 27,041,165 | 26,016,818 |
| Foreign loans | 12,491,018 | 11,031,819 |
| Local facilities – foreign currencies | 3,831,629 | 5,261,988 |
| Supplier facilities | 4,300 | 4,183 |
| | 43,368,112 | 42,314,808 |

11 Trade and other payables

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---|--|
| Trade payables | 36,418,474 | 39,699,582 |
| Notes payable | 22,758 | 52,322 |
| Trade and notes payables | 36,441,232 | 39,751,904 |
| Other credit balances | 6,322,395 | 3,654,046 |
| Due to National Telecommunication Regulatory Authority (NTRA) | 5,030,947 | 3,901,165 |
| Advances from customers | 1,634,551 | 1,552,758 |
| Accrued expenses | 1,562,419 | 3,052,100 |
| Deposits from others | 1,110,343 | 1,079,078 |
| Other taxes payable | 2,409,185 | 1,364,322 |
| Total other payables | 18,069,840 | 14,603,469 |
| Total trade and other payables | 54,511,072 | 54,355,373 |
| Non-current portion (trade payables) | 17,400,482 | 16,181,381 |
| Current portion | 37,110,590 | 38,173,992 |
| Total trade and other payables | 54,511,072 | 54,355,373 |

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

12 Deferred income

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--|---|--|
| Complementary access customers | 7,029,752 | 6,523,487 |
| Transmission services | 4,356,502 | 746,924 |
| Operating services and maintenance | 1,880,398 | 1,942,877 |
| Internet and telecommunications services | 1,415,759 | 1,349,434 |
| Mobile services | 1,214,750 | 1,128,239 |
| Customers compensations | 40,912 | 40,912 |
| Total deferred income | 15,938,073 | 11,731,873 |
| Non-current portion | 7,330,900 | 6,850,092 |
| Current portion | 8,607,173 | 4,881,781 |
| Total deferred income | 15,938,073 | 11,731,873 |

13 Revenue

13.1 Disaggregated revenue information

I. By geographical location:

| | Three-month period ended March 31, 2025 (Unaudited) | 2024 (Unaudited) |
|-------------------------|--|-----------------------------|
| Local - within Egypt | 16,960,954 | 11,972,808 |
| Foreign - outside Egypt | 7,837,023 | 5,513,860 |
| | 24,797,977 | 17,486,668 |

ii. By product line:

| | Three-month period ended March 31, 2025 (Unaudited) | 2024 (Unaudited) |
|-----------------------------------|--|-----------------------------|
| Home and personal communications | 11,856,985 | 8,244,222 |
| International carrier | 4,449,097 | 2,636,050 |
| International cables and networks | 3,387,926 | 2,877,810 |
| Domestic wholesale | 2,703,153 | 1,732,622 |
| Enterprise | 2,400,816 | 1,995,964 |
| | 24,797,977 | 17,486,668 |

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

13 Revenue (continued)

13.1 Disaggregated revenue information (continued)

iii. By timing of recognition:

| | Three-month period ended March 31, | |
|---|---|--------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Goods and services transferred at a point in time | 9,949,417 | 6,647,647 |
| Goods and services transferred over time | 14,848,560 | 10,839,021 |
| | 24,797,977 | 17,486,668 |

13.2 Contract balances

| | March 31, 2025 | December 31, 2024 |
|-----------------------------------|---------------------------|------------------------------|
| | (Unaudited) | (Unaudited) |
| Trade receivables (Note 6) | 19,038,429 | 16,642,632 |
| Notes receivable (Note 6) | 391,776 | 404,871 |
| Total contract receivables | 19,430,205 | 17,047,503 |
| Advances from customers (Note 11) | 1,634,551 | 1,552,758 |
| Deferred income (Note 12) | 15,938,073 | 11,731,873 |
| Total contract liabilities | 17,572,624 | 13,284,631 |

14 Cost of revenue

| | Three-month period ended March 31, | |
|--|---|--------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Call cost | 3,745,709 | 2,605,440 |
| Depreciation of property and equipment | 2,618,390 | 2,298,075 |
| Salaries and other employee benefits | 2,021,996 | 1,586,372 |
| Organisations' service costs | 1,296,483 | 934,120 |
| Frequencies and licenses | 1,246,350 | 892,714 |
| Cost of goods sold | 703,113 | 262,327 |
| Amortisation of intangible assets | 431,785 | 454,649 |
| Fuel | 370,124 | 255,025 |
| Maintenance | 293,278 | 240,574 |
| (IRU) outside Egypt | 133,648 | 107,932 |
| Depreciation of right-of-use assets | 59,574 | 44,750 |
| Others | 1,066,747 | 652,771 |
| | 13,987,197 | 10,334,749 |

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

15 Selling and distribution expenses

| | Three-month period ended | |
|--|---------------------------------|--------------------|
| | March 31, | |
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Salaries and other employee benefits | 874,638 | 743,765 |
| Advertisements | 371,396 | 297,736 |
| Sales and collection commissions | 252,036 | 212,834 |
| Depreciation of right-of-use assets | 17,132 | 16,328 |
| Depreciation of property and equipment | 8,187 | 2,274 |
| Tax and fees | 5,279 | 8,920 |
| Organisations' service costs | 4,727 | 3,941 |
| Others | 43,310 | 34,433 |
| | 1,576,705 | 1,320,231 |

16 Administrative expenses

| | Three-month period ended | |
|--|---------------------------------|--------------------|
| | March 31, | |
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Salaries and other employee benefits | 1,498,051 | 1,291,921 |
| Organisations' service costs | 142,035 | 163,692 |
| Tax and duties | 128,336 | 129,160 |
| Takaful contribution expense | 78,879 | 55,954 |
| Depreciation of right-of-use assets | 27,149 | 19,983 |
| Depreciation of property and equipment | 19,463 | 17,823 |
| Bank charges | 13,853 | 23,497 |
| Others | 199,311 | 87,751 |
| | 2,107,077 | 1,789,781 |

17 Other operating expenses

| | Three-month period ended | |
|--|---------------------------------|--------------------|
| | March 31, | |
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Translation loss of foreign currencies balances and transactions | 892,098 | 6,421,587 |
| Donations | 55,952 | 104,191 |
| Provisions | 54,986 | 49,551 |
| Others | 1,984 | 8,008 |
| | 1,005,020 | 6,583,337 |

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

18 Earnings per share

Basic and diluted earnings /(loss) per share

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

| EGP in thousands | Three-month period ended March 31, | |
|--|---------------------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Net profit/(loss) attributable to Owners of the Parent | 4,665,778 | (17,454,954) |
| Number of shares in thousands | | |
| Ordinary shares as at January 1, | 1,707,072 | 1,707,072 |
| Ordinary shares as at March 31, | 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) | 2.73 | (10.23) |

19 Commitments

The Group's capital commitments as at March 31, 2025 amounted to EGP 2,906 million (unaudited) (December 31, 2024: EGP 2,194 million (audited)). Capital commitments, other than the commitments disclosed above, are not considered significant.

20 Contingencies

The Group has the following contingent liabilities:

| | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--|----------------------------------|-----------------------------------|
| Contingencies - Group | | |
| Letters of guarantee issued by banks on behalf of the Group | 3,865,903 | 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.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

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 and fixed voice) 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.

| For the period ended/as at March 31, 2025 (unaudited) | Communication , marine cables and infrastructure | Internet | Outsourcing | Others | Total |
|---|---|-------------------|------------------|------------------|--------------------|
| Revenue | | | | | |
| External customers - local | 6,306,246 | 10,191,745 | 119,212 | 343,750 | 16,960,953 |
| External customers - foreign | 7,065,550 | 123,269 | 648,205 | - | 7,837,024 |
| Total external customers | 13,371,796 | 10,315,014 | 767,417 | 343,750 | 24,797,977 |
| Inter-segment | 3,991,848 | 54,712 | 1,042,367 | 692,134 | 5,781,061 |
| Gross profit | 5,151,550 | 5,465,597 | 163,725 | 29,908 | 10,810,780 |
| Call cost | (3,745,709) | - | - | - | (3,745,709) |
| Salaries and other employee benefits | (3,133,961) | (684,312) | (501,974) | (74,438) | (4,394,685) |
| Interest income | 188,631 | 15,279 | 10,997 | 11,032 | 225,939 |
| Finance costs | (3,584,150) | (4,181) | (17,829) | (278) | (3,606,438) |
| Depreciation and amortisation | (2,072,637) | (1,028,270) | (76,387) | (4,386) | (3,181,680) |
| Share of profit of associates - net of tax | 3,209,715 | - | - | 3,742 | 3,213,457 |
| (Loss)/gain on foreign exchange differences | (677,300) | 15,769 | (1,619) | 12,239 | (650,911) |
| Allowance for expected credit losses on trade receivables | (177,499) | (38,700) | (856) | (6,971) | (224,026) |
| Income tax expense | (727,404) | (737,187) | (21,685) | (17,530) | (1,503,806) |
| Total assets | 178,167,087 | 3,808,354 | 3,356,291 | 3,912,891 | 189,244,623 |
| Investments in associates | 21,737,376 | - | - | 6,618 | 21,743,994 |
| Total liabilities | 149,622,234 | 7,687,936 | 1,915,807 | 1,155,898 | 160,381,875 |

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

21 Segment information (continued)

| For the period ended March 31, 2024 (unaudited)/as at December 31, 2024 (audited) | 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 cost | (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 - net of tax | 714,766 | - | - | - | 714,766 |
| (Loss)/gain on foreign exchange differences | (5,643,164) | (816,591) | 57,013 | (18,845) | (6,421,587) |
| Allowance for expected credit losses on trade receivables | (274,569) | (120,547) | 29,878 | (2,411) | (367,649) |
| Income tax credit/(expense) | 1,518,005 | (439,272) | (32,187) | (10,494) | 1,036,052 |
| 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 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 presentation.

Telecom Egypt Company and its subsidiaries
Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2025

(Amounts in thousands of Egyptian Pound)

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.