

telecomegypt®



**TELECOM EGYPT COMPANY
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH IFRS
ACCOUNTING STANDARDS FOR THE
YEAR ENDED DECEMBER 31, 2025**



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Independent Auditor's Report To the Shareholders of Telecom Egypt Company Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Telecom Egypt Company (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

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

As disclosed in Note 8 to the 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 on the consolidated statement of financial position as at December 31, 2024 and EGP 30,245,191 thousand as at December 31, 2025. The Group's share of profit of the Associate of EGP 7,049,291 thousand and EGP 14,261,286 thousand for the years ended December 31, 2024 and December 31, 2025, respectively, is also included in profit or loss, which was accounted for using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures*. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in the Associate as at December 31, 2024 and December 31, 2025 and the Group's share of the associate's net profit for the years then ended because we were not granted access to the financial information, management, and the auditors of the Associate. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Our 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.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Independent Auditor's Report
To the Shareholders of Telecom Egypt Company
Report on the Audit of the Consolidated Financial Statements (continued)**

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Basis for Qualified Opinion* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Revenue recognition</p> <p>As disclosed in Note 21 to the consolidated financial statements, the Group recognised revenue of EGP 106,672,946 thousand for the year ended December 31, 2025 from the provision of telecommunication and ancillary services, which require the use of complex technical infrastructure, systems and processes, and comprises a high volumes of transactions across a wide range of service offerings to customers.</p> <p>This is a key audit matter due to its significance to the consolidated financial statements, the inherent risk associated with revenue recognition in the telecommunication industry, the level of judgment applied by management in the revenue recognition process, and the complexity of the underlying IT systems and related processes.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the significant revenue processes and the relevant controls, evaluated their design and implementation and tested their operating effectiveness, including assessing the effectiveness of the IT general controls and the relevant IT application controls with the involvement of our IT specialists; • Obtained an understanding of the Group's revenue recognition accounting policies across its significant revenue streams and assessed their compliance with IFRS 15 <i>Revenue from Contracts with Customers</i>; • Performed substantive analytical procedures and tests of details, on a sample basis, over the significant revenue streams, which included evaluating contractual arrangements for both digital and non-digital services, and assessing the appropriateness of revenue recognition for multiple-element arrangements with customers, including management's judgement applied, in accordance with IFRS 15; and • Assessed the adequacy and completeness of the related disclosures included in the consolidated financial statements.

Independent Auditor's Report
To the Shareholders of Telecom Egypt Company
Report on the Audit of the Consolidated Financial Statements (continued)
Key Audit Matters (continued)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Expected credit loss of trade receivables</p> <p>As disclosed in Notes 12 and 33.2 to the consolidated financial statements, as at December 31, 2025, the Group's gross trade and notes receivables amounted to EGP 22,627,908 thousand, with a related allowance for expected credit losses ("ECL") of EGP 4,394,363 thousand.</p> <p>At each reporting date, the Group performs an impairment assessment of trade and notes receivables to measure expected credit losses. Management has applied the simplified method in determining the ECL allowance, which involves the use of various assumptions, consideration of current and forward-looking macroeconomic factors, and analysis of historical credit loss experience.</p> <p>We considered this to be a key audit matter due to the significant judgment and estimation involved in determining the allowance for expected credit losses.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> Assessed the accounting policies relating to the determination of the ECL allowance with reference to the requirements of IFRS 9 <i>Financial Instruments</i> and application thereof by the Group; Assessed the design and implementation of the key controls over the Group's processes for establishing and implementing the ECL model; Tested the key assumptions and judgments applied by management, including the historical data used, forward-looking factors considered, discount rates applied, and any relevant legal or contractual obligations; and Evaluated the adequacy and completeness of the related disclosures in the consolidated financial statements.

Emphasis of Matters

Fire incident

We draw attention to Notes 5 and 11 to the consolidated financial statements, which describe the impact of the fire incident in the Ramses Central building. Our opinion is not modified in respect of this matter.

Statutory consolidated financial statements

We draw attention to Note 1 to the consolidated financial statements, which refers to a separate set of statutory consolidated financial statements for the year ended December 31, 2025, prepared in accordance with Egyptian Accounting Standards and relevant laws and regulations. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



Independent Auditor's Report To the Shareholders of Telecom Egypt Company

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

**Independent Auditor's Report
To the Shareholders of Telecom Egypt Company**

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

GRANT THORNTON UAE



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

June 26, 2026

Telecom Egypt Company and its Subsidiaries
Consolidated statement of financial position
As at December 31, 2025

(Amounts in thousands of Egyptian Pounds)

	Notes	December 31, 2025	(Restated) December 31, 2024	(Restated) January 1, 2024
ASSETS				
Non-current assets				
Property and equipment	5	112,182,262	94,301,693	73,775,393
Right-of-use assets	6	1,037,370	1,240,587	766,704
Intangible assets	7	24,487,896	24,528,028	19,991,378
Investments in associates	8	30,321,109	18,534,279	14,938,030
Financial assets at FVOCI	9	112,828	120,476	83,442
Trade and other receivables	12	85,273	107,262	74,870
Total non-current assets		168,226,738	138,832,325	109,629,817
Current assets				
Inventories	11	7,389,186	8,106,567	5,080,871
Trade and other receivables	12	24,456,593	24,131,248	15,414,610
Current income tax		-	740,252	890,660
Financial assets at amortised cost - Treasury Bills	13	2,584,576	-	-
Cash and bank balances	14	8,312,470	8,279,240	10,977,982
		42,742,825	41,257,307	32,364,123
Assets held for sale	30	2,449,845	-	-
Total current assets		45,192,670	41,257,307	32,364,123
TOTAL ASSETS		213,419,408	180,089,632	141,993,940
EQUITY AND LIABILITIES				
Equity				
Share capital	15	17,070,716	17,070,716	17,070,716
Reserves	15	8,192,800	7,918,668	6,719,676
Retained earnings		22,610,957	1,754,407	16,857,463
Equity attributable to the Owners of the Parent		47,874,473	26,743,791	40,647,855
Non-controlling interest		37,479	22,155	16,439
Total equity		47,911,952	26,765,946	40,664,294
Non-current liabilities				
Loans and borrowings	16	35,325,509	38,411,459	19,725,744
Lease liabilities	6	711,793	1,050,411	809,090
Trade payables	17	22,768,788	16,181,381	9,975,035
Deferred income	18	9,351,752	6,850,092	3,918,587
Deferred tax liabilities	10	4,676,875	1,197,491	3,415,774
Total non-current liabilities		72,834,717	63,690,834	37,844,230
Current liabilities				
Loans and borrowings	16	38,433,287	43,064,614	30,038,231
Lease liabilities	6	600,238	483,041	173,297
Trade and other payables	17	39,684,446	37,424,186	29,030,028
Deferred income	18	6,462,913	4,881,781	1,733,723
Amount due to an associate	19	4,543,996	2,468,657	1,083,772
Income tax payable		1,154,155	-	-
Provisions	20	1,793,704	1,310,573	1,426,365
Total current liabilities		92,672,739	89,632,852	63,485,416
Total liabilities		165,507,456	153,323,686	101,329,646
TOTAL EQUITY AND LIABILITIES		213,419,408	180,089,632	141,993,940

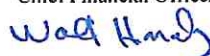
The attached notes on pages from 10 to 71 form an integral part of these consolidated financial statements.

Ehab Abdo
 Director of Financial Affairs

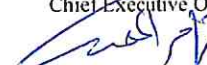


Board of Directors' approval

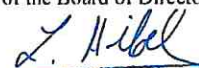
Wael Hanafy
 Chief Financial Officer



Tamer Elmahdi
 Managing Director and
 Chief Executive Officer



Lobna Hilal
 Chair of the Board of Directors



Telecom Egypt Company and its Subsidiaries
Consolidated statement of profit or loss and other comprehensive income
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

	Notes	For the year ended December 31,	
		2025	2024
Continuing operations			
Revenue	21	106,672,946	81,677,812
Cost of revenue	22	(60,272,588)	(50,682,569)
Gross profit		46,400,358	30,995,243
Selling and marketing expenses	23	(6,512,036)	(5,808,172)
Administrative expenses	24	(9,428,568)	(8,082,986)
Allowance for expected credit losses on trade receivables	32	(726,311)	(444,399)
Other operating income	25	1,164,651	699,771
Other operating expenses	26	(3,628,862)	(8,682,602)
Operating profit		27,269,232	8,676,855
Finance income	28	3,214,265	573,751
Finance costs	28	(13,773,799)	(31,164,870)
Net finance costs	28	(10,559,534)	(30,591,119)
Other non-operating (expenses)/income - net	29	(306,131)	1,856,641
Share of profit of associates - net of tax	8	14,318,972	7,090,748
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		30,722,539	(12,966,875)
Income tax (expense)/credit - net	10	(7,200,399)	428,287
NET PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		23,522,140	(12,538,588)
Discontinued operations			
Profit for the year after tax	30	236,502	233,513
NET PROFIT/(LOSS) FOR THE YEAR		23,758,642	(12,305,075)
Other comprehensive income			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(6,099)	997,681
<i>Item that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Change in fair value of financial assets at FVOCI - net		(5,927)	28,702
Other comprehensive (loss)/income - net of tax		(12,026)	1,026,383
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		23,746,616	(11,278,692)
Net profit/(loss) attributable to:			
Owners of the Parent		23,737,704	(12,316,437)
Non-controlling interest		20,938	11,362
Net profit/(loss) for the year		23,758,642	(12,305,075)
Total comprehensive income/(loss) attributable to:			
Owners of the Parent		23,725,678	(11,290,054)
Non-controlling interest		20,938	11,362
Total comprehensive income/(loss) for the year		23,746,616	(11,278,692)
Basic and diluted earnings per share:			
From continuing operations (EGP)		13.77	(7.35)
From discontinued operations (EGP)		0.14	0.14
Basic and diluted earnings per share (EGP)	31	13.91	(7.21)

The attached notes on pages from 10 to 71 form an integral part of these consolidated financial statements.

Telecom Egypt Company and its Subsidiaries
Consolidated statement of changes in equity
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

	Attributable to Owners of the Parent							Total equity
	Share capital	Legal reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	
As at January 1, 2024	17,070,716	3,258,135	707,362	2,754,179	16,857,463	40,647,855	16,439	40,664,294
<i>Total comprehensive income for the year</i>								
Net (loss)/profit for the year	-	-	-	-	(12,316,437)	(12,316,437)	11,362	(12,305,075)
Other comprehensive income for the year	-	-	997,681	28,702	-	1,026,383	-	1,026,383
Total comprehensive loss for the year	-	-	997,681	28,702	(12,316,437)	(11,290,054)	11,362	(11,278,692)
Transfer to legal reserve (Note 15)	-	139,326	-	-	(139,326)	-	-	-
Dividends (Note 15)	-	-	-	-	(2,560,607)	(2,560,607)	(5,646)	(2,566,253)
Other adjustments	-	(125)	1,169	32,239	(86,686)	(53,403)	-	(53,403)
As at December 31, 2024	17,070,716	3,397,336	1,706,212	2,815,120	1,754,407	26,743,791	22,155	26,765,946
<i>Total comprehensive income for the year</i>								
Net profit for the year	-	-	-	-	23,737,704	23,737,704	20,938	23,758,642
Other comprehensive loss for the year	-	-	(6,099)	(5,927)	-	(12,026)	-	(12,026)
Total comprehensive income for the year	-	-	(6,099)	(5,927)	23,737,704	23,725,678	20,938	23,746,616
Transfer to legal reserve (Note 15)	-	286,158	-	-	(286,158)	-	-	-
Dividends (Note 15)	-	-	-	-	(2,560,607)	(2,560,607)	(5,614)	(2,566,221)
Other adjustments	-	-	-	-	(34,389)	(34,389)	-	(34,389)
As at December 31, 2025	17,070,716	3,683,494	1,700,113	2,809,193	22,610,957	47,874,473	37,479	47,911,952

The attached notes on pages from 10 to 71 form an integral part of these consolidated financial statements.

Telecom Egypt Company and its Subsidiaries
Consolidated statement of cash flows
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

	Notes	December 31, 2025	December 31, 2024
Operating activities			
Profit/(loss) before tax from continuing operations		30,722,539	(12,966,875)
Profit before tax from discontinued operations	30	305,164	301,307
Profit/(loss) before tax		31,027,703	(12,665,568)
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	12,745,454	11,739,479
Depreciation of right-of-use assets	6	424,789	394,658
Amortization of intangible assets	7	1,853,856	2,014,546
Share of profit of associates - net of tax	8	(14,318,972)	(7,090,748)
Allowance for expected credit losses on trade receivables	33	726,311	444,399
Provision for slow moving inventories	11	56,421	17,698
Provisions made during the year		656,919	321,410
Write-off of property and equipment, net	26	1,356,058	-
Write-off of inventories	26	127,507	-
Loss on disposal of property and equipment	26	30,109	-
Net foreign exchange differences		920,749	3,550,711
Dividend income	29	(13,379)	(16,523)
Finance costs	28	13,773,799	31,164,870
Finance income	28	(3,214,265)	(573,751)
		46,153,059	29,301,181
<i>Working capital changes:</i>			
Trade and other receivables		360,401	(6,852,173)
Inventories		660,960	(3,043,394)
Trade and other payables		(1,212,445)	6,659,717
Provisions		(173,788)	(437,202)
Amount due to an associate		2,075,339	1,384,885
Deferred income		4,082,792	6,079,563
Restricted bank balances		85,982	(178,611)
Cash from operations		52,032,300	32,913,966
Income tax paid		(1,176,197)	(828,298)
Net cash flows from operating activities		50,856,103	32,085,668
Investing activities			
Purchase of property and equipment	5	(27,778,906)	(28,945,948)
Purchase of intangible assets	7	(1,837,862)	(6,186,350)
Proceeds from disposal of property and equipment		3,280	1,502
Additional investment in an associate		-	(3,750)
Proceeds on redemption of treasury bills		168,120	70,679
Investments in treasury bills		(2,584,576)	-
Interest received		376,039	363,664
Dividends received from associates	8	2,231,549	3,153,909
Net cash flows used in investing activities		(29,422,356)	(31,546,294)
Financing activities			
Proceeds from loans and borrowings	16	19,534,500	16,370,435
Repayment of loans and borrowings	16	(24,602,961)	(6,333,156)
Interest paid		(13,032,557)	(10,565,448)
Payment of lease liabilities	6	(672,514)	(549,106)
Dividends paid to the Owners of the Parent	15	(2,560,607)	(2,560,607)
Dividends paid to non-controlling interest		(5,614)	(5,646)
Net cash flows used in financing activities		(21,339,753)	(3,643,528)
Net change in cash and cash equivalents		93,994	(3,104,154)
Cash and cash equivalents at January 1,		7,565,330	10,442,683
Net foreign exchange difference		25,218	226,801
Cash and cash equivalents at December 31,	14	7,684,542	7,565,330

The attached notes on pages from 10 to 71 form an integral part of these consolidated financial statements.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

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 December 31, 2025, 70% of the Company’s shares are held by the Government of Egypt (2024: 70%) and the remaining 30% of the Company’s shares are listed on the Egypt Stock Exchange (“Egyptian Exchange”) (2024: 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 Group 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, organizations 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 consolidated financial statements of the Group for the year ended December 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 (Note 8). Information on the Group’s structure is provided on the next page.

The Group has also prepared statutory consolidated financial statements in accordance with Egyptian Accounting Standards for the year ended December 31, 2025, which do not constitute part of these consolidated financial statements and were issued on February 25, 2026 and published on the Egyptian Exchange.

These consolidated financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) were approved by the Board of Directors for issuance on June 25, 2026.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

1 General information (continued)

The details of the subsidiaries held by the Group as at December 31, 2025, and December 31, 2024, are as follows:

Subsidiary	Nature of business	Country of incorporation	Ownership interest	
			2025	2024
Telecom Egypt France	Telecommunication and related services	France	100%	100%
WE Data	Internet service provider	Egypt	100%	100%
WE Data Jordan	Internet service provider	Jordan	100%	100%
TE Investment Holding	Promotion of suitable investment opportunities	Egypt	100%	100%
The Egyptian Telecommunication Company for Information Systems (Xceed)	Business process outsourcing	Egypt	100%	100%
Xceed Customer Care Morocco	Business process outsourcing	Morocco	100%	100%
Xceed Customer Care Mauritius	Business process outsourcing	Mauritius	100%	100%
Xceed Customer Care FZCO	Business process outsourcing	United Arab Emirates	100%	100%
Al Masriah For IT Systems Company	Business process outsourcing	Kingdom of Saudi Arabia	100%	100%
Centra Technologies	IT solutions provider	Egypt	100%	100%
Centra Industries	Electronic equipment assembly	Egypt	100%	100%
Telecom Egypt Globe	Telecommunication and related services	Singapore	100%	100%
Middle East and North Africa Cable Company (MENA Cable)	Management of submarine cables	Egypt	100%	100%
MENA Company for Submarine Cable Company (MENA Cable Italy)	Management of submarine cables	Italy	100%	100%
TE For Sports Investment	Providing all sports services provided through the sports field	Egypt	100%	100%
TE Infraco Limited	Activities of the holding company	United Arab Emirates	100%	-
WE HOST	Data processing, hosting and related activities	United Arab Emirates	100%	-
RDH	Data Centers	Egypt	100%	-
Middle East Radio Communication (MERC)	Communication stations management	Egypt	51%	51%

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis.

2.2 Basis of measurement

These consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for financial assets at fair value through other comprehensive income, which are measured at fair value.

2.3 Functional and presentation currency

These consolidated financial statements are 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.

3 New Standards, Interpretations and Amendments to existing Standards

3.1 New Standards adopted as at January 1, 2025

The accounting pronouncement listed below has become effective from January 1, 2025 and has therefore been adopted by the Group but does not have any significant impact on the Group's consolidated financial results or position.

- Lack of Exchangeability (Amendments to IAS 21)

3.2 Standards, Interpretations and Amendments to existing standards that are not yet effective

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at the reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- Two new subtotals defined in the statement of profit or loss, namely operating profit and profit or loss before financing and income taxes;
- The classification of all income and expenses within the statement of profit or loss in one of five categories;
- A new requirement to disclose performance measures defined by management; and
- An improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

3 New Standards, Interpretations and Amendments to existing Standards (continued)

3.2 Standards, Interpretations and Amendments to existing standards that are not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'.

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Group is currently working to identify all impacts that IFRS 18 will have on the primary financial statements and notes to the consolidated financial statements.

Other standards issued but not yet effective

Other new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements when they become effective.

4 Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Basis of consolidation

The Group's consolidated financial statements consolidate those of the Parent and all of its subsidiaries at December 31, 2025. All subsidiaries have a reporting date of December 31.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired by the Group and consolidation ceases from the date that control is lost.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three control elements mentioned above.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.1 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The consolidated financial statements include the assets, liabilities, income and expenses of subsidiaries controlled by the Group from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4.2 Foreign currency translation

Transactions and balances

Transactions in foreign currencies are translated to the functional currency of the respective Group entity at exchange rates prevailing at the dates of the transactions (spot exchange rate).

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate applicable at the reporting date and the resulting foreign exchange gains and losses are recognised in profit or loss, except for monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation, if any. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits, if any, attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are not retranslated at the reporting date.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.2 Foreign currency translation (continued)

Foreign operations

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the EGP are translated into EGP upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

The results and financial position of foreign operations, having functional currencies different from the presentation currency, are translated into EGP as follows:

- assets and liabilities are translated at the closing rate as at the reporting date;
- income and expenses are translated at the average rate over the reporting period; and
- All resulting exchange differences are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

4.3 Property and equipment

Recognition and measurement

Property and equipment are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Purchased software, that is integral to the functionality of the related equipment, is capitalised as part of that equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of property and equipment, as follows:

Buildings and infrastructure	5 - 50 years
Technical equipment and radio network fixtures	3 - 15 years
Light and heavy vehicles	7 - 15 years
Office furniture and fixtures	5 - 10 years
Tools and supplies	2 - 8 years
Decoration and fixture	5 years

Land is not depreciated. Residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.3 Property and equipment (continued)

Recognition and measurement (continued)

Gains and losses on disposals are determined as the difference between the proceeds from disposal and the carrying amount of the disposed asset and are recognized within 'other operating income/(expenses)' in profit or loss.

Projects under progress

Projects under progress comprise all property and equipment that are being acquired or constructed before they are available for use. Projects under progress are stated at cost less impairment losses, if any. Cost includes all expenditures associated with the acquisition and construction of the asset and for making it ready for its intended use. When an asset is ready for its intended use, it is transferred from projects under progress to the appropriate class under property and equipment and depreciated in accordance with the Group's depreciation policy.

4.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group leases various land, stores and rooftop space for installation of telecommunication towers. Contracts are typically made for periods ranging from 3 to 20 years.

Some lease contracts contain both lease and non-lease components. The Group has elected to separate its leases for such properties into lease and non-lease components based on their relative stand-alone prices.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

Land	2 - 25 years
Stores	2 - 10 years
Rooftop space	2 - 25 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.4 Leases (continued)

Group as a lessee (continued)

In addition, the right-of-use assets are reduced by impairment losses, if any, and adjusted for remeasurements of the lease liabilities.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liabilities are measured at amortised cost using the effective interest method. These are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term in profit or loss.

4.5 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance, which can be controlled and are capable of generating future economic benefits.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.5 Intangible assets (continued)

Intangible assets are stated at purchase cost including any expenses that are directly attributable to preparing the asset for its intended use, net of accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this mostly reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Licenses

Licenses include fourth generation license, software license, and internet service license. Amortisation is charged to profit or loss on a straight-line basis over the period of the expected use or the term of the underlying agreement, whichever is shorter, and ranges from 3 to 20 years.

Right-of-way and right-of-use

The Group recognises an intangible asset arising from a right-of-way and right-of-use of an asset when it has the right for using that asset and can derive the benefits from their usage.

Amortisation is charged on a straight-line basis over the shorter of the period of its expected use and the term of the underlying agreement, which ranges from 10 to 20 years, starting from the date of the acquisition of the right.

Intangible assets with indefinite useful lives and goodwill

Land possession rights and usufruct land have indefinite useful lives as there is no foreseeable limit on the period over which these intangible assets are expected to exist and generate cash flows and are carried at cost less impairment losses, if any. Goodwill represents the excess of the Group's share in the fair value of the investee's acquired net assets at the time of acquisition.

Intangible assets having indefinite useful lives and goodwill are assessed for impairment at each reporting date and impairment losses, if any, are recognised in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

On disposal of a subsidiary or where the Group ceases to exercise control, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets under acquisition/development

Intangible assets under acquisition/development comprise all intangible assets that are being acquired or developed before they are available for use. These are stated at cost less impairment losses, if any. Cost includes all expenditures associated with the acquisition of the asset and making it ready for its intended use. When the asset is ready for its intended use, it is transferred from intangible assets under acquisition/development to the appropriate class under intangible assets and amortised in accordance with Group's policy for amortisation.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.6 Investments in associates

Associates are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method.

Under the equity method of accounting, interests in associates are initially recognised at cost and subsequently adjusted for the post-acquisition change in the Group's share of the net assets. The carrying amount of the investments in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

Where the Group's share of losses exceeds its interest in an investee accounted for using equity method, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those investees. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in associates. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate, is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investee and its carrying value, and then recognises the loss within 'Share of profit of associates' in the consolidated statement of profit or loss.

4.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill, intangible assets with indefinite useful lives, intangible assets under acquisition/development, and projects under progress under property and equipment are tested annually for impairment or when circumstances indicate that the carrying value may be impaired.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.7 Impairment of non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises purchase price, after deducting rebates and discounts. Costs are assigned to individual items of inventory based on weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business less the costs of completion and estimated costs necessary to make the sale.

The provision for slow moving and obsolete inventory is created in accordance with the management's assessment.

4.9 Financial instruments

Financial assets

Initial recognition and measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition.

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss, as applicable); and
- those to be measured at amortised cost.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.9 Financial instruments (continued)

Financial assets (continued)

Classification (continued)

A debt instrument financial asset is measured at amortized cost or at fair value through other comprehensive income (“FVOCI”) if it meets both of the following conditions and is not designated as at fair value through profit or loss (“FVTPL”):

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the Group may elect to classify it irrevocably as equity instrument at fair value through other comprehensive income. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset as at FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group’s financial assets at amortized cost include cash and bank balances, treasury bills and trade and other receivables. The Group’s financial assets at fair value through other comprehensive income include unquoted equity investments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as described below:

<i>Financial assets at amortised cost</i>	These assets are subsequently measured at amortised cost, using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<i>Financial assets at FVOCI (debt instruments)</i>	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Revaluation gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
<i>Financial assets at FVOCI (equity investments)</i>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case it recognised as a reduction to the carrying amount. Revaluation gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.
<i>Financial assets at FVTPL</i>	These assets are subsequently measured at fair value. Revaluation gains and losses, including any interest or dividend income, are recognised in profit or loss.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.9 Financial instruments (continued)

Financial assets (continued)

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but, has transferred control of the asset.

Impairment

The Group recognises a loss allowance for expected credit losses ("ECL") on debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments at FVOCI. The amount of expected credit losses reflects changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the simplified approach to calculate impairment on trade receivables and recognises lifetime ECL on such exposures.

ECL on these financial assets are estimated using a flow rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

For all other financial instruments, the Group applies the general approach to calculate impairment. Lifetime ECL is recognised when there has been a significant increase in credit risk since initial recognition and 12-month ECL is recognised when the credit risk on the financial instrument has not increased significantly since initial recognition.

The assessment of whether credit risk of the financial instrument has increased significantly since initial recognition is made through considering the change in risk of default occurring over the remaining life of the financial instrument.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available.

The Group considers the default in case of trade receivables occurs when a customer balance moves into the 'Inactive' category based on its ageing analysis.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.9 Financial instruments (continued)

Financial assets (continued)

Impairment (continued)

For all other financial assets, the Group considers the following as constituting an event of default as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty (if any); or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the dues.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the percentage of the loss if there is a default) and the exposure at default. The assessment of the probability of default is based on historical data adjusted by forward-looking information.

The Group recognises an impairment loss or reversals in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities

Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include lease liabilities, amount due to an associate, loans and borrowings and trade and other payables.

Recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.9 Financial instruments (continued)

Financial liabilities (continued)

Derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current accounts with banks, time deposits, and money market funds that have an initial maturity period of less than three months and are subject to an insignificant risk of changes in value, net of bank overdrafts, if any, that are repayable on demand and form an integral part of the Group's cash management.

4.11 Non-current assets held-for-sale and discontinued operations

The Group classifies non-current assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale.

Assets and liabilities classified as held-for-sale are presented separately as current items in the consolidated statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Additional disclosures are provided in Note 30. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.12 Equity and reserves

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from proceeds.

Legal reserve

As per the Company's statutes, 5% of statutory net profit for the year is set aside to form a legal reserve. The transfer to such reserve ceases once it reaches 50% of the Company's paid in share capital. The reserve can be utilized for covering losses or for increasing the Company's share capital.

Revaluation reserve

Comprises gains and losses from the revaluation of unquoted equity investments (Notes 9 and 15.4).

Foreign currency translation reserve

Comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into EGP.

General and other reserves

The General Assembly may form other reserves based on the Board of Directors' recommendation. The detailed nature of the amounts included in other reserves as at reporting date is disclosed in Note 15.

Dividends

Dividends are recognized as a liability in the consolidated statement of financial position in the period in which the dividends are approved for distribution by the general assembly meeting of the shareholders.

4.13 Employee benefits

Defined contributions

The Group contributes to the Government Social Insurance System for the benefits of its personnel in accordance with the Social Insurance Law. Under this law, the employees and the employers contribute into the system a fixed percentage of salaries.

The employees are also granted end-of-service benefits through a Loyalty and Belonging Fund established in January 2004. The Group's share represents fixed contributions determined annually by the Board of Directors.

The Group's liability is confined to the amount of its contributions. Contributions are charged to profit or loss using accrual basis of accounting.

Share of profit

The Group may distribute share of its profit to its employees in accordance with applicable Laws and Regulations. These are recognised in the profit or loss for the period in which the employees' rights to receive the share of profit are established, and only when, it has a legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the expected obligation can be made.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
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(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.14 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that it will be received and that the Group will comply with the associated conditions.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Government grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

For non-monetary assets received as grants, for which, fair value cannot be measured reliably at the date of initial recognition, the grant as well as the asset are recognised at nominal value.

4.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. The timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Group makes use of the exemption in IAS 37 not to disclose some or all of the information required by the accounting standard with regards to provisions when it can be expected that such disclosure would prejudice seriously the position of the Group in a dispute with other parties on the subject matter of the provision.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

4.16 Revenue from contracts with customers

The Group is in the business of providing telecommunication goods and services. The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services excluding amount collected on behalf of third parties.

The Group recognises revenue from contracts with customers based on the five steps model set out as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
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(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.16 Revenue from contracts with customers (continued)

The Group recognizes revenue over time if one of the following criteria is met, otherwise revenue is recognized at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Revenue from telecommunication services

Revenue from telecommunication services comprises airtime usage, text messaging, data service (fixed, mobile and internet), installation, activation and other telecom services. The Group offers services under specified period contracts that are usually for short-term.

Revenue from telecommunication services that are based on customer consumption is recognised at a point in time, when the obligation is performed or services are rendered.

Revenue from telecommunication services that are based on fixed fee contracts is recognized over time, as the obligation is being performed or services are being rendered because the customer simultaneously receives and consumes the benefits from the services provided by the Group. When services include multiple performance obligations, the Group allocates transaction price to each distinct performance obligation based on respective standalone selling price. The standalone selling price is the observable price for which the good or service is sold by the Group in similar circumstances to similar customers. If performance obligations are not distinct, revenue is recognised over the whole contract price.

Revenue from the sale of devices and SIM cards is recognised at a point in time when control of the goods is transferred to the customer. The control is transferred upon collection by the customer.

Telecom subscription services

Telecom subscription services comprise mobile, broadband and other connectivity services provided to customers under fixed-term or recurring subscription arrangements. Customers are charged periodic subscription fees in exchange for continuous access to the Group's telecommunications network and related services over the contract term.

In connection with these services, the Group may provide access devices and equipment, including SIM cards and routers (customer premises equipment ("CPE")), to facilitate customers' access to the Group's network. Management has assessed that such devices and equipment do not represent goods transferred to the customer. Rather, they form part of the infrastructure and tools used by the Group in delivering telecommunications services and remain under the Group's control throughout the contract term. Accordingly, the customer's primary benefit from the arrangement is the receipt of telecommunications services, and no separate performance obligation arises in respect of such devices and equipment.

Revenue from telecom subscription services is recognised over time as customers simultaneously receive and consume the benefits of the services provided. Subscription fees billed in advance are recognised as contract liabilities and subsequently recognised as revenue over the period in which the related services are rendered.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
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(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.16 Revenue from contracts with customers (continued)

Telecom subscription services (continued)

The Company assesses its contracts with customers to determine whether any additional goods or services are promised to customers and whether such promises represent separate performance obligations in accordance with IFRS 15 (Note 32.2).

Revenue from access to radio network and infrastructure

The Group builds extensions to its existing radio network and infrastructure across Egypt to be able to provide access to its services to new residential locations owned by the customer and at their request.

Revenue from providing radio network and infrastructure access to the customer is recognized at a point in time when the project is completed, the customer is connected to the network, and the payment is received by the customer, because none of the criteria of revenue recognition over time is met in such contracts from the customers i.e. the customer only benefits when the work is completed and access is provided.

Service offerings to other telecommunication operators (wholesale)

The Group provides interconnection services to other telecommunication operators for utilizing its networks. The Group also receives similar services from other telecommunication entities, which are recognized as cost of revenue in profit or loss (Note 4.17).

Interconnection revenue is recognised on the basis of the gross value of invoices raised by the Group to other operators for termination charges (based on the airtime usage), text messaging, roaming and other mobile services and are billed monthly based on actual traffic and as per contractually agreed rates.

Revenue from other wholesales services to other telecommunication operators, such as network coverage services, is recognised over time on a straight-line basis over the term of a fixed-price contract.

International cables and networks

Revenue from sale cables is recognized at a point in time when the cables are transferred to the customer. Revenue from the usage of cables and networks is recognized over time when the cables are used by the customer, on a straight-line basis over the term of the contract.

Determination of Transaction Price

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
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4 Material accounting policies (continued)

4.16 Revenue from contracts with customers (continued)

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

If the Group receives long-term advances from customers, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Promotional offers

Promotional offers that reduce the contract price of services offered to customers are accounted for as reduction in the transaction price.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 4.9 *Financial instruments*.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer) (Note 21.2).

4.17 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the goods or services, or as incurred. Allocations between selling and distribution expenses, administrative expenses and cost of revenue, when required, are made on a consistent basis.

Governmental charges

Governmental charges represent government contribution fees in trade earnings, license fees, frequency waves' fees and costs charged to the Group against the rights to use telecommunications and data services, as stipulated in the license agreements. These fees are recorded in the related periods during which these fees are incurred and included under cost of services in profit or loss.

Interconnection costs

Interconnection costs represent connection charges by other operators for national and international telecommunication networks. Interconnection costs are recorded in the period when the respective services are utilized and are included under 'Cost of revenue' in profit or loss.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
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4 Material accounting policies (continued)

4.17 Operating expenses (continued)

Selling and distribution expenses

These represent expenses resulting from the Group's management efforts with regard to the marketing function and the selling and distribution function.

Administrative expenses

These represent expenses relating to the administration and not to the revenue earning function or the selling and distribution function.

4.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to become ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.19 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
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(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.19 Taxes (continued)

Deferred tax (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Telecom Egypt Company and its Subsidiaries
Notes to the consolidated financial statements (continued)
For the year ended December 31, 2025

(Amounts in thousands of Egyptian Pounds)

4 Material accounting policies (continued)

4.19 Taxes (continued)

Value Added Tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements. The Group is subject to VAT on its transactions inside Egypt and in the other jurisdictions in which it operates at various rates. The amount of VAT liability is determined by applying the applicable tax rate to the invoiced amount of services (output VAT) less VAT paid on purchases made with the relevant supporting invoices (input VAT). The Group reports revenue net of value added tax for all the periods presented in the consolidated financial statements.

4.20 Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the net profit or loss attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for owned shares held, if any.

4.21 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

4.22 Contingent liabilities

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

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5 Property and equipment

Cost	Land	Buildings and infrastructure	Technical equipment and radio network fixtures	Light and heavy vehicles	Office furniture and fixtures	Tools and supplies	Projects under progress (1)	Total
As at January 1, 2024	2,395,085	51,229,931	47,372,458	363,285	1,801,668	270,883	16,030,564	119,463,874
Effect of reclassification	-	-	1,005,179	-	-	-	-	1,005,179
As at January 1, 2024 - (Restated)	2,395,085	51,229,931	48,377,637	363,285	1,801,668	270,883	16,030,564	120,469,053
Additions	-	-	-	-	-	-	30,665,486	30,665,486
Transfers	11,182	10,643,615	13,996,683	83,971	219,810	70,933	(25,026,194)	-
Disposals	-	(161,866)	(911,571)	(1,172)	(8,956)	(4,868)	-	(1,088,433)
Addition - effect of reclassification	-	-	1,412,698	-	-	-	-	1,412,698
Effect of foreign currency translation	4,319	656,919	355,010	453	47,005	7	-	1,063,713
As at December 31, 2024 - (Restated)	2,410,586	62,368,599	63,230,457	446,537	2,059,527	336,955	21,669,856	152,522,517
As at January 1, 2025	2,410,586	62,368,599	63,230,457	446,537	2,059,527	336,955	21,669,856	152,522,517
Additions	-	-	-	-	-	-	34,950,655	34,950,655
Transfers	-	13,331,198	15,499,566	258,075	63,999	45,533	(29,198,371)	-
Transferred to assets held-for-sale (Note 30)	-	(97,663)	(409,548)	-	(57)	(63)	(2,064,856)	(2,572,187)
Disposals	-	(480,641)	(2,686,566)	(2,944)	(28,653)	(16,080)	-	(3,214,884)
Write-off (3)	-	(64,675)	(2,061,304)	-	(6,630)	(129)	(82,859)	(2,215,597)
Effect of foreign currency translation	(686)	(13,105)	29,560	75	5,044	(1)	(397,656)	(376,769)
As at December 31, 2025	2,409,900	75,043,713	73,602,165	701,743	2,093,230	366,215	24,876,769	179,093,735

Telecom Egypt Company and its Subsidiaries
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5 Property and equipment (continued)

	Land	Buildings and infra-structure	Technical equipment and radio network fixtures	Light and heavy vehicles	Office furniture and fixtures	Tools and supplies	Projects under progress (1)	Total
Accumulated depreciation								
As at January 1, 2024	-	22,695,915	22,272,954	194,603	1,182,244	191,360	30,055	46,567,131
Effect of reclassification	-	-	126,530	-	-	-	-	126,530
As at January 1, 2024 - (Restated)	-	22,695,915	22,399,484	194,603	1,182,244	191,360	30,055	46,693,661
Charge for the year (2)	-	2,737,356	8,359,071	49,681	39,108	25,141	-	11,210,357
Charge for the year - effect of reclassification (2)	-	-	529,121	-	-	-	-	529,121
Disposals	-	(130,008)	(908,502)	(1,167)	(8,951)	(4,866)	-	(1,053,494)
Effect of foreign currency translation	-	611,129	203,396	452	26,199	3	-	841,179
As at December 31, 2024 - (Restated)	-	25,914,392	30,582,570	243,569	1,238,600	211,638	30,055	58,220,824
As at January 1, 2025	-	25,914,392	30,582,570	243,569	1,238,600	211,638	30,055	58,220,824
Impairment for the year	-	-	-	-	-	-	197,605	197,605
Charge for the year (2)	-	3,031,937	9,501,184	44,258	129,132	38,943	-	12,745,454
Disposals	-	(280,173)	(2,825,215)	(1,695)	(28,652)	(16,071)	-	(3,151,806)
Write-off (3)	-	(62,653)	(790,315)	-	(6,442)	(129)	-	(859,539)
Transferred to assets held-for-sale (Note 30)	-	(7,813)	(114,495)	-	(15)	(19)	-	(122,342)
Effect of foreign currency translation	-	(76,730)	(43,846)	75	1,780	(2)	-	(118,723)
As at December 31, 2025	-	28,518,960	36,309,883	286,207	1,334,403	234,360	227,660	66,911,473
Net book values								
As at December 31, 2024	2,410,586	36,454,207	32,647,887	202,968	820,927	125,317	21,639,801	94,301,693
As at December 31, 2025	2,409,900	46,524,753	37,292,282	415,536	758,827	131,855	24,649,109	112,182,262

Property and equipment include fully depreciated assets amounting to EGP 19,882 million still in use as at December 31, 2025 (2024: EGP 16,852 million).

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5 Property and equipment (continued)

(1) The projects under progress comprise the following:

	2025	2024
Land, buildings and infrastructure under construction	4,879,177	5,921,262
Technical equipment under installation	10,820,284	7,876,927
Payments against acquisition of property and equipment	9,177,308	7,871,667
Impairment loss on projects under construction	(227,660)	(30,055)
	24,649,109	21,639,801

(2) Depreciation expense is included in profit or loss as follows:

	For the year ended December 31,	
	2025	2024
Cost of revenue (Note 22)	12,576,447	11,544,351
Selling and distribution expenses (Note 23)	27,808	17,698
Administrative expenses (Note 24)	126,551	148,229
Discontinued operations (Note 30)	14,648	29,200
	12,745,454	11,739,478

(3) Fire incident during the year:

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 resulted in partial damage to various property and equipment on site, including parts of the building structure, certain technical equipment, and furniture. The cost of the damaged property and equipment amounted to EGP 2,215,597 thousand, with a net carrying amount of EGP 1,356,058 thousand, which was written-off in profit or loss (Note 26).

The Group received EGP 200,000 thousand as an advance insurance compensation. Procedures to recover the remaining compensation are still in progress, in accordance with the available insurance coverage and subject to the completion of the related ongoing investigations (Note 25).

6 Leases

The Group has lease contracts for land and stores used in the Group's operations and rooftop space for installation of telecommunication towers. With the exception of short-term leases and leases of low-value assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. The lease liabilities are secured by the related underlying assets. The Group assessed that right-of-use assets comprise of a single class of assets i.e. properties.

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(Amounts in thousands of Egyptian Pounds)

6 Leases (continued)

6.1 Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are shown below:

	2025	2024
Gross carrying amount		
As at January 1,	2,752,539	1,761,578
Additions	264,040	854,904
Disposals	(79,240)	(4,866)
Effects of foreign currency translation	25,003	140,923
As at December 31,	2,962,342	2,752,539
Accumulated Depreciation		
As at January 1,	1,511,952	994,874
Charge for the year (see below)	424,789	394,658
Disposals	(26,782)	-
Effects of foreign currency translation	15,013	122,420
As at December 31,	1,924,972	1,511,952
Net carrying amount as at December 31,	1,037,370	1,240,587

Depreciation is included in profit or loss as follows:

	For the year ended December 31,	
	2025	2024
Cost of revenue (Note 22)	244,985	204,856
Selling and distribution expenses (Note 23)	76,255	70,228
Administrative expenses (Note 24)	103,549	119,574
	424,789	394,658

6.2 Lease liabilities

The carrying amounts of the lease liabilities and the movements during the year are shown below:

	2025	2024
As at January 1,	1,533,452	982,387
Additions	264,040	854,904
Disposals	(54,504)	(4,866)
Accretion of interest (Note 28)	240,336	204,376
Payments	(672,514)	(549,106)
Effect of foreign currency translation	1,221	45,757
As at December 31,	1,312,031	1,533,452

Lease liabilities are disclosed on the consolidated statement of financial position as follows:

	2025	2024
Non-current	711,793	1,050,411
Current	600,238	483,041
	1,312,031	1,533,452

The maturity analysis of lease liabilities is disclosed in Note 33.2.

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For the year ended December 31, 2025

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6 Leases (continued)

6.3 Short-term leases and leases of low-value assets

The Group has elected not to recognise lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liabilities are not significant to the Group.

7 Intangible assets

	Mobile service licenses	Projects right of use	Rights of way	Other right of use	Data center license	Internet service license	Land Possession (usufruct)	Land acquisition/development	Goodwill	Total	
Cost											
As at January 1, 2024	17,950,659	1,841,937	3,070,147	979,515	-	25,630	440,683	1	1,898,066	15,839	26,222,477
Additions	-	-	-	-	-	-	-	-	6,873,528	-	6,873,528
Transfers	133,001	661,958	1,254,780	-	7,724	-	115,653	-	(2,173,116)	-	-
Disposals	(205,744)	-	(190,623)	(1,729)	-	(100)	-	-	-	-	(398,196)
Effect of foreign currency translation	-	-	191,764	39,494	-	2,827	-	-	-	-	234,085
As at December 31, 2024	17,877,916	2,503,895	4,326,068	1,017,280	7,724	28,357	556,336	1	6,598,478	15,839	32,931,894
As at January 1, 2025	17,877,916	2,503,895	4,326,068	1,017,280	7,724	28,357	556,336	1	6,598,478	15,839	32,931,894
Additions	-	-	-	-	-	-	-	-	2,051,355	-	2,051,355
Transfers	4,953,550	513,594	660,895	-	-	1,884	68,637	-	(6,198,560)	-	-
Disposals	-	-	(280,512)	-	-	(7,020)	-	-	-	-	(287,532)
Effect of foreign currency translation	-	-	(77,734)	(1,758)	-	(7,577)	-	-	-	-	(87,069)
As at December 31, 2025	22,831,466	3,017,489	4,628,717	1,015,522	7,724	15,644	624,973	1	2,451,273	15,839	34,608,648

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7 Intangible assets (continued)

	Mobile service licenses	Projects right-of-use	Rights of way	Other right of use	Data center license	Internet service license	Land possession (usufruct)	Land acquisition/development	Goodwill	Total
Accumulated amortisation and impairment										
As at January 1, 2024	4,335,649	86,306	1,362,706	422,022	-	24,416	-	-	-	6,231,099
Charge for the year	1,386,607	283,435	266,861	68,436	451	382	8,374	-	-	2,014,546
Disposals	(12,859)	-	(22,814)	-	-	-	-	-	-	(35,673)
Effect of foreign currency translation	-	-	174,826	22,862	-	(3,794)	-	-	-	193,894
As at December 31, 2024	5,709,397	369,741	1,781,579	513,320	451	21,004	8,374	-	-	8,403,866
As at January 1, 2025	5,709,397	369,741	1,781,579	513,320	451	21,004	8,374	-	-	8,403,866
Charge for the year	1,480,673	125,446	163,471	68,931	516	518	14,301	-	-	1,853,856
Impairment	-	-	-	-	-	-	-	-	15,839	15,839
Disposals	-	-	(82,077)	-	-	(6,920)	-	-	-	(88,997)
Effect of foreign currency translation	-	-	(63,752)	445	-	(505)	-	-	-	(63,812)
As at December 31, 2025	7,190,070	495,187	1,799,221	582,696	967	14,097	22,675	-	15,839	10,120,752
Net book values										
As at December 31, 2024	12,168,519	2,134,154	2,544,489	503,960	7,273	7,353	547,962	1	6,598,478	24,528,028
As at December 31, 2025	15,641,396	2,522,302	2,829,496	432,826	6,757	1,547	602,298	1	2,451,273	24,487,896

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7 Intangible assets (continued)

Cost of intangible assets include fully amortised intangible assets amounting to EGP 397 million that are still in use at the reporting date (2024: EGP 426 million).

Amortisation for the year in the amount of EGP 1,853,856 thousand (2024: EGP 2,014,546) is included in profit or loss under cost of revenue (Note 22).

The intangible assets under acquisition/development comprise the following:

	2025	2024
Rights acquired for submarine cables under construction	2,451,273	1,978,478
Software license under acquisition	-	4,620,000
	2,451,273	6,598,478

7.1 Intangible assets with indefinite useful lives

Land possession rights and land (usufruct)

These rights are acquired from the Government of Arab Republic of Egypt against payment of consideration. The fair values initially recognised for these assets are the same as their carrying amounts at the reporting date.

Land (usufruct) represent rights acquired from the Government of Arab Republic of Egypt for no consideration. These rights have been carried in these consolidated financial statements at nominal value, as the management assessed that, due to the specialised nature of the assets, their fair values as at the date of receipt of the rights could not be reliably measured.

These rights are deemed to have an indefinite useful life as the management believes that the expected periods over which these rights will be available for use to the Group cannot be estimated reliably, however, are expected to be for significant periods.

Goodwill

Goodwill has arisen on the acquisition of Middle East and North Africa Submarine Cables (MENA) (Subsidiary) by the Group in previous years.

7.2 Impairment of intangible assets with indefinite useful lives and goodwill

Intangible assets with indefinite useful lives and goodwill are monitored by management at the level of the respective cash generating unit. The impairment of these assets is reviewed annually to ensure that their carrying values do not exceed their recoverable amounts.

As at the reporting date, the management has assessed that the carrying values of intangible assets with indefinite useful lives and goodwill are less than their recoverable amounts. Accordingly, an impairment loss of EGP 15,839 (2024: EGP Nil) was recognised during the year.

7.3 Intangible assets with finite useful lives

The mobile service licenses are related to the acquisition of licenses from National Telecommunication Regulatory Authority (NTRA) having a remaining amortization period of 10 years (2024: 11 years). The rights of way are related to the right of using certain routes and properties owned by governments or third parties to be able to establish network infrastructure for the provision of the Group's services. Rights of way have remaining amortization periods of 1 to 12 years (2024: 1 to 13 years).

Telecom Egypt Company and its Subsidiaries
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8 Investments in associates

The Group has investments in the following associates:

	Ownership		Carrying amount	
	2025	2024	2025	2024
Vodafone Egypt Telecommunications Company S.A.E. (8.1)	44.95%	44.95%	30,245,191	18,461,379
Egypt Trust (8.2)	35.71%	35.71%	62,440	67,900
New Matrix for Technology (8.3)	25.50%	25.50%	13,478	5,000
Wataneya for Telecommunication (8.4)	50.00%	50.00%	-	-
			30,321,109	18,534,279

8.1 Vodafone Egypt Telecommunications Company S.A.E.

The investment in Vodafone Egypt represents the ownership of 107,869,799 shares as at December 31, 2025 and 2024. The movement in the investment is as follows:

	2025	2024
As at January 1,	18,461,379	14,884,411
Share of net profit	14,261,286	7,049,291
Dividends	(2,477,474)	(3,472,323)
As at December 31,	30,245,191	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.

The financial year of Vodafone Egypt Telecommunications Company S.A.E. ends on March 31. The Group's management accounted for the share of net profit and comprehensive income and the carrying amount of the investment in associate based on the Group's reporting period and using the associate's financial information available to the Group.

Summarised financial information of the associate, based on its IFRS Accounting Standards financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarized statement of financial position EGP millions	December 31, 2025	December 31, 2024
Non-current assets	55,430	47,502
Current assets	53,795	30,875
Non-current liabilities	(15,557)	(1,495)
Current liabilities	(36,551)	(45,983)
Equity	57,117	30,899
The Group's share in equity – 44.95% (2024: 44.95%)	25,672	13,888
Embedded goodwill	4,573	4,573
Group's carrying amount of the investment	30,245	18,461

Telecom Egypt Company and its Subsidiaries
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8 Investments in associates (continued)

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

Summarised statement of profit or loss EGP millions	For the year ended December 31,	
	2025	2024
Revenue	109,601	76,015
Profit before tax	42,628	21,544
Net profit for the year	31,730	15,684
Group's share of net profit for the year – 44.95% (2024: 44.95%)	14,261	7,049

8.2 Egypt Trust

The Egyptian Company for Electronic Signature Services and Information Technology (“Egypt Trust”) was established in Egypt on March 16, 2006. The Company is engaged in the provision of digital certificate authentication and electronic digital signature validation services. The movement in the investment is as follows:

	2025	2024
As at January 1,	67,900	52,369
Dividends	(51,852)	(25,926)
Other adjustments	926	-
Share of net profit	45,466	41,457
As at December 31,	62,440	67,900

8.3 New Matrix for Technology

New Matrix for Technology was established in Egypt on November 14, 2018 for carrying out smart solutions services.

	2025	2024
As at January 1,	5,000	5,000
Dividends	(3,742)	-
Share of net profit	12,220	-
As at December 31,	13,478	5,000

8.4 Wateneya for Telecommunication

Investment in Wataneya for Telecommunication amounting to EGP 0.125 million was fully decreased against the Group's share in the losses of the associate in previous years.

8.5 Dividends from associates

The Group is not aware of any restrictions that the associates may have on their ability to distribute profits to the Group.

9 Financial assets at FVOCI

	2025	2024
Unquoted equities – foreign satellite entities (1)	26,676	26,676
Unquoted equities – local companies (2)	88,205	88,205
	114,881	114,881
Cumulative change in fair value (Note 15)	(2,053)	5,595
	112,828	120,476

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9 Financial assets at FVOCI (continued)

- (1) Includes 1.5937% share in Arab Sat represented in 7,968,455 shares amounting to EGP 11,856 thousand, including bonus shares distributed during 2010 by Arab Sat to all shareholders based on their shareholdings.
- (2) Comprises unquoted equity investments in which the Group's shareholdings are usually less than 20% and without the Group having any significant influence over the investees.

10 Taxation

10.1 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax relates to the following:

	Assets		Liabilities	
	2025	2024	2025	2024
Property and equipment	-	-	(1,492,123)	(1,437,324)
Intangible assets and right-of-use assets	-	-	(764,294)	(661,562)
Write-down of inventories	34,394	21,859	-	-
Impairment losses on trade and other receivables	125,296	73,580	-	-
Provisions	4,047	3,157	-	-
Accrued liabilities	26,748	22,571	-	-
Net loss on translation of foreign currency balances	2,066,422	3,200,131	-	-
Fair value reserve on financial assets at FVOCI	-	-	(4,835)	(6,556)
Undistributed profit in subsidiaries and associates	-	-	(4,672,530)	(2,413,347)
Total deferred tax assets/(liabilities)	2,256,907	3,321,298	(6,933,782)	(4,518,789)

Unrecognised deferred tax assets

	2025	2024
Impairment loss on trade and other receivables	863,951	786,093
Provision for liabilities and claims	158,045	104,240
Others	60,890	16,270
	1,082,886	906,603

The deferred tax assets have not been recognized in respect of the above items due to uncertainty of the utilization of their benefits in the foreseeable future. The Group does not have tax losses that are available for offsetting against future taxable profits.

There are no income tax consequences attached to the payment of dividends by the Company to its shareholders.

Deferred tax related to items recognized in OCI during the year relates to net (loss)/gain on equity instruments designated at fair value through OCI and amounted to EGP 1,721 thousand (2024: EGP 8,332 thousand).

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10 Taxation (continued)

10.2 Reconciliation of tax expense

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for 2025 and 2024 is as follows:

	2025	2024
Profit/(loss) before tax from continuing operations	30,722,539	(12,966,875)
Profit from discontinued operations	305,164	301,307
Profit/(loss) before tax	31,027,703	(12,665,568)
At the statutory tax rate of 22.5% (2024: 22.5%)	6,981,233	-
Tax on dividends from subsidiaries and associates	596,807	665,612
Tax on treasury bills	23,857	14,136
Add/(deduct):		
Effect of different tax rates of subsidiaries outside Egypt	739	2,885
Provisions and impairment	171,602	(3,806)
Exempt investments income	(628,931)	(1,316,909)
Foreign tax paid outside Egypt	-	(17,137)
Tax effect of intra-group eliminations and other consolidation adjustments	(2,007,849)	291,907
Adjustments to other items	(452,708)	(206,950)
Previous years' tax differences	22,555	(976)
Capital losses	302,573	-
Tax on undistributed profit in subsidiaries and associates	2,259,183	210,745
	(332,836)	(1,040,241)
Income tax (expense)/credit	7,269,061	(360,493)
Effective tax rate	23.43%	2.85%

10.3 Income tax (expense)/credit

The major components of income tax (expense)/credit for the years ended December 31, 2025, and 2024 are:

	For the year ended December 31,	
	2025	2024
Current tax expense		
Current income tax charge*	(3,787,956)	(1,866,122)
Deferred tax		
Relating to origination and reversal of temporary differences	(3,481,105)	2,226,615
Total income tax (expense)/credit	(7,269,061)	360,493

*Includes an amount of EGP 68,662 thousand (2024: EGP 67,794 thousand) relating to discontinued operations (Note 30).

10.4 Tax position

Telecom Egypt Company

Corporate tax

Tax inspections were completed for the periods up to December 31, 2018, and all related tax liabilities and fines for those periods were fully settled, including fines imposed pursuant to Law No. 153 of 2022.

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10 Taxation (continued)

10.4 Tax position (continued)

Telecom Egypt Company (continued)

Corporate tax (continued)

Tax inspections were conducted for the years from January 1, 2019 to December 31, 2023, and all taxes and fines due for those years were settled. However, the remaining fines are still payable. Tax inspection for the year 2024 is ongoing.

Value Added Tax / Sales Tax

Tax inspections were completed for the years up to December 31, 2023, and the related tax differences for those years were settled, except for the additional tax relating to the years from 2018 to 2023.

Tax inspection for the years 2024 and 2025 has not been conducted.

Salary & Wages Tax

Tax inspections were completed for the years up to December 31, 2014, and the Company was assessed tax differences, all of which were fully settled.

Tax inspections were completed for the years from 2015 to 2022, and all taxes due for those years were settled. The related fines are currently being settled.

For the years from 2023 to 2025, the Company has regularly deducted and remitted taxes within the legally prescribed deadlines in accordance with Law No. 206 of 2020, its amendments, and its Executive Regulations. Tax settlements are also submitted in accordance with the provisions of Law No. 206 of 2020 promulgating the Unified Tax Procedures Law.

Stamp Tax

Tax inspections were conducted for certain sectors of the Company for the period from March 27, 1998 to December 31, 2000. The Company was notified of the tax assessment elements, filed appeals thereagainst, and complied with the legally prescribed deadlines.

Tax inspections were conducted for certain sectors of the Company for the period from January 1, 2001 to July 31, 2006, and the related tax liabilities were settled. Tax inspections for the remaining sectors for the same period are currently in progress.

Tax inspections were completed for the period from August 1, 2006 to December 31, 2020, and all taxes due for that period were fully settled.

Stamp duty was inspected for the years 2020 and 2021, and the inspection did not reveal any differences due. Tax inspection for years 2023 to 2025 have not been conducted.

Real Estate Tax

All taxes due are paid in accordance with the tax claim forms received by the Company. The Company's Legal Department follows up on disputes in accordance with the Real Estate Tax Law.

Tax returns were filed in accordance with the Real Estate Tax Law No. 196 of 2008, and the taxes due were settled on the prescribed due dates.

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11 Inventories

	2025	2024
Material, supplies, and merchandise for sale	5,625,176	6,668,114
Spare parts	1,846,950	1,505,119
Others	72,860	32,713
Less: provision for slow moving inventories	(155,800)	(99,379)
Total	7,389,186	8,106,567

Movements in the provision for slow moving inventories are as follows:

	2025	2024
At January 1,	99,379	81,681
Provision for the year (Note 22)	56,421	17,698
At December 31,	155,800	99,379

Fire incident during the year

As disclosed in Note 5, on July 7, 2025, a fire broke out in an equipment room of the Group's Ramses Central building. As a result, inventories with a carrying amount of EGP 127,507 thousand were written off in profit or loss (Note 26).

12 Trade and other receivables

	2025	(Restated) 2024
Trade receivables – local, net	5,615,325	6,670,230
Trade receivables – foreign, net	12,296,391	10,972,402
Notes receivable	321,829	404,871
Trade and notes receivable, net	18,233,545	17,047,503
Advance payments to suppliers	886,031	1,526,384
Deposits with others	364,114	350,355
Due from ministries, organizations, companies, and franchises	1,938,423	1,400,200
Value added taxes receivable	915,915	1,502,445
Other receivables	2,203,838	2,411,623
Total other receivables	6,308,321	7,191,007
	24,541,866	24,238,510
	2025	2024
Non-current	85,273	107,262
Current	24,456,593	24,131,248
Total Trade and other receivables	24,541,866	24,238,510

Details about the Group's impairment policies and the determination of the allowance for expected credit losses are provided in Notes 4 and 33, respectively.

Telecom Egypt Company and its Subsidiaries
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13 Financial assets at amortised cost - Treasury Bills

Investments in treasury bills amounting to EGP 2,584,576 (2024: EGP Nil) represent short-term debt instruments with original maturities ranging from 4 to 5 months and carrying effective interest rates ranging between 25% and 29% per annum (2024: Nil).

14 Cash and cash equivalents

	2025	2024
Bank balances - time deposits	2,621,288	2,440,390
Bank balances - current accounts	5,001,144	5,687,977
Treasury bills	515,174	-
Money Market Funds	171,173	144,522
Cash in hand	3,691	6,351
Cash and bank balances	8,312,470	8,279,240
Less: restricted bank balances*	(627,928)	(713,910)
Cash and cash equivalents	7,684,542	7,565,330

Time Deposits and Money Market Funds have initial maturities of less than 3 months and carry interest rates as follows:

	2025	2024
EGP	4.5% to 24.53%	4.5% to 25.4%
USD	SOFR to SOFR plus 1%	LIBOR plus (1.5% to 2.0%)

*Restricted bank balances are maintained with the Group's banks primarily as collateral for loans and letters of credit, as well as pursuant to instructions from various government departments and agencies in respect of claimed taxes, duties, fees, and other charges arising in the normal course of business. These balances will be released for subsequent use upon settlement of the related outstanding obligations by the Group.

15 Capital and reserves

15.1 Share capital

The Company's authorised, issued and fully paid-up share capital amounting to EGP 17,070,716 thousand is represented by 1,707,071,600 shares of par value EGP 10 each.

15.2 Legal reserve

In accordance with the Companies Law No. 159 of 1981, 5% of the annual statutory net profits of the Company and the Group subsidiaries in Egypt are transferred to legal reserve. The entities may stop such transfers when the legal reserve reaches 50% of their share capital. The reserve is not eligible for distribution to the shareholders.

During the year ended December 31, 2025, an amount of EGP 286 million has been transferred to legal reserve (2024: EGP 139 million).

15.3 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the foreign operations of the Group.

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15 Capital and reserves (continued)

15.4 Other reserves

	2025	2024
General reserve*	2,762,626	2,762,626
Revaluation reserve, net of deferred tax liabilities (Note 9)	(10,596)	(4,669)
Others	57,163	57,163
	2,809,193	2,815,120

*The general reserve represents transfers from retained earnings in previous years.

15.5 Dividends

Dividends of EGP 1.50 per share amounting to EGP 2,560,607 thousand were declared and paid by the Company during the year ended December 31, 2025 (2024: EGP 1.50 per share amounting to EGP 2,560,607 thousand).

16 Loans and borrowings

	2025	(Restated) 2024
Foreign loans – foreign currencies	31,276,206	39,620,044
Local loan – local currency	18,045,800	6,014,575
Local facilities – foreign currencies	3,078,986	5,337,732
Local facilities – local currency	21,353,382	30,499,539
Supplier facilities – foreign currency	4,422	4,183
Total loans and borrowings	73,758,796	81,476,073

December 31, 2025

Type of Loan	Loan currency	Effective interest rate	Total	Current	Non- current
Foreign loans	USD	Variable rate	30,426,074	10,838,455	19,587,619
Foreign loans	EURO	Variable rate	850,132	109,842	740,290
Total foreign loans (16.1)			31,276,206	10,948,297	20,327,909
Supplier facilities	EURO	5.50%	4,422	4,422	-
Local facilities	USD	Variable rate	3,078,986	3,078,986	-
Local facilities	EGP	Variable rate	21,353,382	21,353,382	-
Local loan	EGP	Variable rate	18,045,800	3,048,200	14,997,600
Total local facilities (16.2)			42,478,168	27,480,568	14,997,600
			73,758,796	38,433,287	35,325,509

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16 Loans and borrowings (continued)

December 31, 2024

Type of Loan	Loan currency	Effective interest rate	Total	Current	Non-current
Foreign loans	USD	Variable rate	38,712,007	11,364,627	27,347,380
Foreign loans	EURO	Variable rate	908,037	103,899	804,138
Total foreign loans (16.1)			39,620,044	11,468,526	28,151,518
Supplier facilities	EURO	5.50%	4,183	4183	-
Local facilities	USD	Variable rate	9,597,673	5,337,732	4,259,941
Local facilities	EGP	Variable rate	26,239,598	26,239,598	-
Local facilities	EGP	Variable rate	6,014,575	14,575	6,000,000
Total local facilities (16.2)			41,851,846	31,591,905	10,259,941
			81,476,073	43,064,614	38,411,459

16.1 Foreign loans

Bridge and Syndicate facilities

The Group has obtained Bridge and Syndicated facilities of USD 200 million and USD 500 million, respectively, from multiple financial institutions with First Abu Dhabi Bank and Mashreq Bank PSC acting as lead facility arrangers. These facilities have been obtained for the purpose of the Group's capital expenditures.

In accordance with the facility agreements with the lenders, the Group is required to comply with the following financial covenants calculated on the statutory consolidated financial statements in accordance with Egyptian Accounting Standards:

- Debt service ratio not less than 1.2:1;
- Interest service cover ratio not less than 2:1;
- Minimum Tangible Net Worth not less than EGP 20,000 million; and
- Leverage ratio not to exceed 3.5:1.

As at December 31, 2025, and 2024, the Group is compliant with the above-mentioned financial covenants.

Other foreign loans

These facilities include a loan in substance received from the Government of Germany for supporting the Group in the development of the telecommunication sector in Egypt, which is repayable in semi-annual instalments maturing in June 2036. These facilities also include other loans obtained from multiple banks for the Group's capital expenditure purposes.

16.2 Local facilities and loan

Local facilities represent overdraft facilities obtained from multiple banks for meeting the working capital requirements of the Group. These bank overdrafts are not repayable on demand and do not form an integral part of the Group's cash management, and accordingly, have not been classified as cash and cash equivalents in the consolidated statement of cash flows.

The local loan represents a syndicated loan with a limit of EGP 18 billion that has been obtained to settle local facilities and is repayable in quarterly instalments maturing in 2031.

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16 Loans and borrowings (continued)

16.3 Movement in loans and borrowings

The movement in loans and borrowings during the year was as follows:

	2025	2024
As at January 1,	81,476,073	49,341,758
Proceeds from loans and borrowings	19,534,500	16,370,435
Repayment of loans and borrowings	(24,602,961)	(6,333,156)
Accrued interest	536,408	749,806
Effect of foreign currency translation	(3,185,224)	21,347,230
As at December 31,	73,758,796	81,476,073

For information about the Group's exposure to foreign currency risk and interest rate risk, refer to Note 33.

17 Trade and other payables

	2025	2024
Trade payables	46,799,196	39,699,582
Notes payable	31,488	52,322
Trade and notes payables	46,830,684	39,751,904
Due to National Telecommunication Regulatory Authority*	5,332,553	3,901,165
Advances from customers (Note 21)	2,019,724	1,552,758
Accrued expenses	3,278,799	3,052,100
Deposits from others	1,259,690	1,079,078
Other taxes payable	763,401	1,364,322
Other credit balances	2,968,383	2,904,240
Other payables	15,622,550	13,853,663
Total trade and other payables	62,453,234	53,605,567
Non-current portion (trade payables)	22,768,788	16,181,381
Current portion	39,684,446	37,424,186
Total trade and other payables	62,453,234	53,605,567

*Due to National Telecommunication Regulatory Authority (NTRA) represents the variable portion of license fees payable at specified percentage of revenues of the Group for the relevant years.

18 Deferred income

	2025	2024
Transmission systems for mobile services	863,372	746,924
Mobile Services	1,439,961	1,128,239
International customers	1,900,161	486,680
Cables operating and maintenance services	948,340	1,456,197
Internet and telecommunications services	1,499,153	1,349,434
Complementary Access customers	9,089,766	6,523,487
Customers compensations	73,912	40,912
Total deferred income	15,814,665	11,731,873

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18 Deferred income (continued)

	2025	2024
Non-current portion	9,351,752	6,850,092
Current portion	6,462,913	4,881,781
Total deferred income	15,814,665	11,731,873

19 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., an associate

During the year ended December 31, 2025, the Group incurred cost of revenue of EGP 7,227 million (2024: EGP 5,698 million) in relation to receipt of telecommunication and related services from the associate, and earned revenue of EGP 5,713 million from telecommunication and related services provided to the associate (2024: EGP 5,322 million).

Transactions with the associate are made on terms agreed between the Group and the associate based on contractual agreements.

The balance due to the associate as at December 31, 2025 of EGP 4,544 million (2024: EGP 2,469 million) is unsecured and settlement occurs in cash. There are no guarantees given or received for such balance.

Dividend received from the associate is disclosed in Note 8.1.

Transactions and balances with the Government of Egypt

As disclosed in Note 1, the Company is 70% owned by the Government of Egypt. 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 and grants are disclosed in the relevant notes in these consolidated financial statements.

Key management compensation

During the year ended December 31, 2025, the Group incurred salaries, allowances and other benefits to its key management personnel, and included these expenses within salaries and wages in the consolidated statement of profit or loss and other comprehensive income.

20 Provisions

	2025	2024
As at January 1,	1,310,573	1,426,365
Additional provision made during the year (Note 26)	656,964	319,954
Provisions utilised	(173,788)	(437,202)
Effect of foreign currency translation	(45)	1,456
As at December 31,	1,793,704	1,310,573

Provisions relate to contingencies against lawsuits and claims outstanding as at the reporting date.

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21 Revenue

21.1 Disaggregated revenue information

i. By geographical location:

	For the year ended December 31,	
	2025	2024
Local - within Egypt	72,168,088	53,638,538
Foreign - outside Egypt	34,504,858	28,039,274
	106,672,946	81,677,812

ii. By product line:

	For the year ended December 31,	
	2025	2024
Home and personal communications	52,086,310	36,033,726
International carrier	18,202,241	14,210,275
International cables and networks	16,302,617	13,828,999
Domestic wholesale	10,293,543	9,293,126
Enterprise	9,788,235	8,311,686
	106,672,946	81,677,812

iii. By timing of recognition:

	2025	2024
Goods and services transferred over time	64,578,670	46,954,660
Goods and services transferred at a point in time	42,094,276	34,723,152
	106,672,946	81,677,812

21.2 Contract balances

	2025	2024
Trade receivables (Note 12)	17,911,716	17,441,007
Notes receivable (Note 12)	321,829	404,871
Total contract receivables	18,233,545	17,845,878
Advances from customers (Note 17)	2,019,724	1,552,758
Deferred income (Note 18)	15,814,665	11,731,873
Total contract liabilities	17,834,389	13,284,631

Set out below is the amount of revenue recognised from:

	2025	2024
Amounts included in contract liabilities at the beginning of the year	13,284,631	6,996,309
Performance obligations partially satisfied in previous years	4,881,781	3,148,339

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21 Revenue (continued)

21.3 Performance obligations

Home and personal communications and enterprise

Home and personal communications and enterprise revenue comprises sale of devices and SIM cards as well as airtime usage, text messaging, data service (fixed, mobile and internet), installation, activation and other telecom services provided to individuals and enterprises in Egypt.

Sale of devices and SIM cards

The performance obligation from the sale of devices and SIM cards is satisfied upon collection by the customer and payment is usually received at the time of the sale.

Telecommunication services

The performance obligation from telecommunication services rendered by the Group to individuals and enterprises is satisfied either at a point in time or over time depending on the nature of service. Revenue from connection and installation services as well as from usage of telecommunication services (e.g. calls and text messaging) is recognized at a point in time when the service is rendered or used, except for subscription and fixed service fee contracts for which revenue is recognized over time on a straight-line basis over the term of the contract. Payments related to these services are either received in advance or in arrear with a credit term of between 1 and 60 days.

Telecom subscription services

The performance obligation under telecom subscription services contracts is satisfied over time as the customer simultaneously receives and consumes the benefits of the services provided by the Group.

Promotional offers to customers

When a contract includes a contractual clause offering the customer promotional offers, the Group reduces the contract price to adjust the impact of promotional offer for recognising revenue.

Domestic wholesale and international carrier

Domestic wholesale and international carrier revenue relate to services provided to local and international telecom companies, respectively, for various services provided by the Group such as the usage of the Group's network and interconnection services.

The performance obligation from most of these service offerings to other telecommunication operators is satisfied at a point in time when the Group's services are used, except for fixed service fee contracts whereby revenue is recognized over time on a straight-line basis over the term of the contract. Payments related to such services are settled within a period of 30 days after each billing cycle.

International cables and networks

The performance obligation from international cables and network is recognized at a point in time when the cables are transferred to the customer or over time when the cables are used by the customer, on a straight-line basis over the term of the contract. Payment is generally received at the inception of the contract or based on a payment plan.

Transaction price allocated to the remaining performance obligations

As a practical expedient provided in IFRS 15, the Group decided not to disclose the amount of the remaining performance obligations as the Group's contracts with customers either have an original expected duration of less than one year or meet the requirements of the right to invoice practical expedient in IFRS 15. There is no consideration from contracts with customers that is not included in the transaction price.

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22 Cost of revenue

	For the year ended December 31,	
	2025	2024
Call cost	16,082,021	13,064,610
Depreciation of property and equipment (Note 5)	12,576,447	11,544,351
Salaries and other employee benefits (Note 27)	8,122,257	7,101,950
Organizations' service cost	5,268,572	4,717,076
Frequencies and licenses	5,274,828	3,952,958
Amortization of intangible assets (Note 7)	1,853,856	2,014,546
Fuel	1,897,522	1,516,719
Cost of goods sold	1,855,834	928,390
Maintenance	1,497,803	1,331,926
Leased circuits and satellite subscriptions (IRU) outside Egypt	1,714,980	886,443
Spare parts	546,880	696,147
Transportation	941,425	674,838
Utilities	505,636	398,651
Depreciation of right-of-use assets (Note 6)	278,910	252,010
Provision for inventories (Note 11)	244,985	204,856
Others	56,421	17,698
	1,554,211	1,379,400
	60,272,588	50,682,569

The cost of inventories recognised as an expense during the year was EGP 2,853,630 thousand (2024: EGP 1,620,925 thousand).

23 Selling and marketing expenses

	For the year ended December 31,	
	2025	2024
Salaries and other employee benefits (Note 27)	3,636,626	3,181,265
Advertisements	1,341,992	1,355,174
Sales and collection commissions	1,088,573	960,504
Depreciation of right-of-use assets (Note 6)	76,255	70,228
Taxes and fees	24,321	28,185
Organization's service cost	49,369	26,266
Depreciation of property and equipment (Note 5)	27,808	17,698
Others	267,092	168,852
	6,512,036	5,808,172

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24 Administrative expenses

	For the year ended December 31,	
	2025	2024
Salaries and other employee benefits (Note 27)	6,497,072	5,750,966
Organizations' service cost	1,040,152	821,249
Taxes and duties	372,145	521,672
Takaful contribution expense	326,774	267,128
Depreciation of property and equipment (Note 5)	126,551	148,229
Depreciation of right-of-use assets (Note 6)	103,549	119,574
Bank charges	58,646	79,803
Other expenses	903,679	374,365
	9,428,568	8,082,986

25 Other operating income

	For the year ended December 31,	
	2025	2024
Insurance compensation (Note 5)	200,000	-
Fines and penalties on payment delays	108,477	179,733
Others	856,174	520,038
	1,164,651	699,771

26 Other operating expenses

	For the year ended December 31,	
	2025	2024
Translation loss on foreign currency balances and transactions	1,114,239	8,126,456
Write-off of property and equipment, net (Note 5)	1,356,058	-
Write-off of inventories (Note 11)	127,507	-
Loss on disposal of property and equipment (Note 5)	30,109	-
Provisions (Note 20)	656,964	319,954
Donations	134,365	213,852
Others	209,620	22,340
	3,628,862	8,682,602

27 Personnel expenses

	For the year ended December 31,	
	2025	2024
Salaries and wages	14,563,581	12,301,374
Employees' and Board of Directors' share of profit	2,184,397	1,928,140
Group's social insurance contribution	1,073,276	933,861
End-of-service benefits	250,000	260,000
End of service compensation	166,149	573,718
Provision for compensated absences	18,552	37,088
	18,255,955	16,034,181

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27 Personnel expenses (continued)

27.1 Allocation of personnel expenses

	For the year ended December 31,	
	2025	2024
Cost of revenue (Note 22)	8,122,257	7,101,950
Selling and marketing expenses (Note 23)	3,636,626	3,181,265
Administrative expenses (Note 24)	6,497,072	5,750,966
	18,255,955	16,034,181

27.2 Employees' benefits

End of service benefits (Company's contribution in Loyalty and Belonging Fund)

The employees are granted end of service benefits through a Loyalty & Belonging Fund established in January 2004. Employees' benefits are based on the employees' current basic salary at January 1, 2022 increasing annually at a compound rate of 5%. The subscription for employees hired after January 1, 2022 is calculated according to a subscription schedule for new hires and increase annually at a compound rate of 5% starting from the following year of the hiring date with the same conditions of periodical raise of employees.

The employees share in Loyalty & Belonging Fund according to constant subscription are based on the same employees' basic salary for whom the end of service benefit is calculated. During the year ended December 31, 2025, the Company's contribution to the defined contribution plan amounted to EGP 250 million (2024: EGP 260 million) which has been recorded within the administrative expenses as shown in (Note 24).

End of service compensation

On February 14, 2024, the Board of Directors approved the implementation of an end of service compensation scheme for the employees of the Company who desire to opt for and meet the requirements for ending their employment service before the legal age of retirement based on criteria to be specified by the management.

Accordingly, management determined the mechanism of applying the scheme by specifying the conditions of enrolment, which include minimum employment tenure with the Company, the employee's final and irrevocable approval to opt for the scheme, and the Company's manpower planning committee's approval.

The management determined the conditions and benefits offered to the employees of the Company under the end of service compensation scheme to include the following:

- The employee must have completed at least nineteen years of actual service in the Parent Company;
- Payment of compensation equivalent to the present value of the employee's total expected future salaries until the retirement age of sixty years taking into consideration periodic increments;
- Payment of compensation in lieu of the loyalty and belonging grant;
- Payment of compensation for unused leaves in accordance with the regulations in force;
- Payment of an amount of EGP 5,000 per month over three years after early retirement or until the age of sixty, whichever is earlier;
- Providing medical insurance and other benefits related to services provided by the Company for three years after early retirement or until the age of sixty, whichever is earlier.

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27 Personnel expenses (continued)

27.2 Employees' benefits (continued)

End of service compensation (continued)

As a result of the application of the end of service compensation scheme above, the Group recognized expense amounting to EGP 166,149 thousand for the year ended December 31, 2025 (2024: EGP 573,718 thousand) recorded within the administrative expenses (Note 24).

28 Net finance costs

	For the year ended December 31,	
	2025	2024
Translation gain on foreign currency balances and transactions	2,446,754	-
Interest income on cash and bank balances	676,727	504,571
Interest income on prepaid tax	59,768	40,773
Interest income on Treasury Bills	31,016	28,407
Finance income	3,214,265	573,751
Interest expense on loans and borrowings	(12,826,709)	(10,881,711)
Finance costs on deferred payments contracts	(706,754)	(427,274)
Interest on lease liabilities (Note 6)	(240,336)	(204,376)
Translation loss on foreign currency balances and transactions	-	(19,651,509)
Finance cost	(13,773,799)	(31,164,870)
Net finance costs	(10,559,534)	(30,591,119)

29 Other non-operating (expense)/income

	For the year ended December 31,	
	2025	2024
Translation gain on foreign currency balances and transactions	(319,510)	1,840,118
Dividend income from financial assets classified at FVOCI	13,379	16,523
	(306,131)	1,856,641

30 Discontinued operations

On September 3, 2025, the Board of Directors approved the restructuring of the assets of its Regional Data Hub operations to the newly incorporated subsidiary, RDH. The Board of Directors in its decision also approved the disposal of the majority stake in its newly incorporated subsidiary to a buyer. The Group has entered into negotiations with one of the potential buyers to transfer majority stake (i.e. 70% - 80%). The completion of the transaction is subject to the outcome of negotiations and final agreements on governing the restructuring, operations, revenue-sharing, and related technical and economic commitments and regulatory approvals.

Consequently, the related assets comprising of property and equipment with a carrying amount of EGP 2,449,845 as at December 31, 2025, were classified as held-for-sale on the consolidated statement of financial position. Revenue and all other related expenses relating to the Regional Data Hub operations have been reclassified are shown as a single line item in the consolidated statement of profit or loss.

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30 Discontinued operations (continued)

The results of the discontinued operations for the year are summarised below:

	For the year ended December 31,	
	2025	2024
Revenue	357,052	359,117
Cost of revenue	(50,319)	(56,912)
Administrative expenses	(1,569)	(898)
Profit for the year before tax	305,164	301,307
Income tax	(68,662)	(67,794)
Net profit for the year	236,502	233,513

In accordance with the approved plan, all liabilities related to the discontinued operations will remain under the obligation of the Group. Immediately before the classification of the Regional Data Hub operations as discontinued operations, the recoverable amount was estimated for the property and equipment and no impairment loss was identified.

Details of cash flows related to the cash flows of the discontinued operations are as follows:

	For the year ended December 31,	
	2025	2024
Operating activities	202,774	234,835
Investing activities	(538,063)	(958,392)
Cash flows related to discontinued operations	(335,289)	(723,557)

31 Earnings per share

Basic and diluted earnings per share

The basic and diluted earnings per share have been calculated as follows:

EGP in thousands	For the year ended December 31,	
	2025	2024
Net profit/(loss) attributable to Owners of the Parent		
Continuing operations	23,501,202	(12,549,950)
Discontinued operations	236,502	233,513
Profit/(loss) attributable to ordinary equity holders of the Parent	23,737,704	(12,316,437)
Number of shares in thousands		
Ordinary shares as at January 1,	1,707,072	1,707,072
Ordinary shares as at December 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 per share		
From continuing operations (EGP)	13.77	(7.35)
From discontinued operations (EGP)	0.14	0.14
	13.91	(7.21)

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32 Critical accounting estimates, assumptions and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

32.1 Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain assets that may change the utility of certain assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include significant future investments, if any, that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Allowance for expected credit losses of trade and notes receivables

The Group uses a provision matrix to calculate ECLs for trade and notes receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 33.

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32 Critical accounting estimates, assumptions and judgments (continued)

32.2 Critical judgments in applying the Group's accounting policies

Provisions and contingent liabilities

The management exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigations, assessments and/or other outstanding liabilities and claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provisions.

Identification of performance obligations in telecom subscription service arrangements

In applying IFRS 15 Revenue from Contracts with Customers, management exercises judgement in identifying the promises made to customers and determining the performance obligations within a contract.

The Group enters into telecom subscription service arrangements under which customers receive ongoing access to telecommunications services. While SIM cards and routers may be provided to facilitate access to those services, management has concluded that the substance of the arrangement is the provision of telecommunications services over the contract term. Customers do not obtain control of the routers provided as part of these arrangements, and such equipment does not represent a separate good transferred to the customer. Rather, the equipment is used by the Group as part of the service delivery process and is integral to providing connectivity services over the Group's network.

Accordingly, management has determined that telecom subscription service arrangements contain a single performance obligation comprising the provision of telecommunications services, with revenue recognised over time as those services are rendered to customers.

The Group also enters into separate arrangements involving the sale of devices and SIM cards on a standalone basis or under different commercial offerings. Such arrangements are assessed independently, and where control of the goods transfers to the customer, revenue is recognised at the point in time that control transfers.

33 Financial assets and financial liabilities

The Group's principal financial assets comprise of cash and bank balances, treasury bills, trade and other receivables, and financial assets at FVOCI. The Group's principal financial liabilities comprise loans and borrowings, lease liabilities, due to an associate and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group does not enter into derivative transactions for the purpose of trading or hedging exposure to fluctuations in the foreign exchange rates or interest rates.

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33 Financial assets and financial liabilities (continued)

33.1 Categories of financial instruments

	2025	2024
Financial assets		
<i>At amortised cost</i>		
Trade and notes receivables, net	18,233,545	17,047,503
Other receivables	2,203,838	2,411,623
Due from ministries, organizations, companies and franchises	1,938,423	1,400,200
Treasury bills	2,584,576	-
Deposits with others	364,114	350,355
Cash and bank balances	8,312,470	8,279,240
	33,636,966	29,488,921
<i>At fair value through OCI</i>		
Unquoted equity instruments	112,828	120,476
Total financial assets	33,749,794	29,609,397
Non-current portion	198,101	227,738
Current portion	33,551,693	29,381,659
	33,749,794	29,609,397
	2025	2024
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Loans and borrowings	73,758,796	81,476,073
Lease liabilities	1,312,031	1,533,452
	75,070,827	83,009,525
Trade and other payables	58,410,419	49,609,409
Amount due to an associate	4,543,996	2,468,657
	62,954,415	52,078,066
Total financial liabilities	138,025,242	135,087,591
	2025	2024
Non-current portion	58,806,090	55,643,251
Current portion	79,219,152	79,444,340
	138,025,242	135,087,591

33.2 Financial instruments and risk management objectives and policies

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign exchange risk and other market price risk). The Group's management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

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33 Financial assets and financial liabilities (continued)

33.2 Financial instruments and risk management objectives and policies (continued)

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

The Group continuously monitors the credit quality of customers. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer. The Group also obtains advances and security deposits from customers to mitigate the credit risk.

The Group is exposed to credit risk from financial assets including trade and notes receivables, deposits and other receivables and cash and bank balances. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in Note 33.1.

Trade and notes receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

In general, trade and notes receivables included in current assets relate to a variety of dues from a wide range of counterparties, therefore, the Group does not consider that it has a significant concentration of credit risk. No single customer accounts for 10% or more of the Group's revenues.

The following table shows the movement in the allowance for expected credited losses of trade and notes receivables:

	2025	2024
As at January 1,	3,715,340	3,285,063
Charge for the year	726,311	444,399
Write-offs	(47,288)	(14,122)
As at December 31,	4,394,363	3,715,340

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, and customer type and rating).

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity. The Group does not hold collateral as security.

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33 Financial assets and financial liabilities (continued)

33.2 Financial instruments and risk management objectives and policies (continued)

Credit risk (continued)

Trade and notes receivables (continued)

On the above basis the expected credit loss for trade receivables as at December 31, 2025, and December 31, 2024 was determined as follows:

	Current	30 days past due	31 to 90 days past due	91 to 180 days past due	181 to 270 days past due	Over 270 days	Total
December 31, 2025							
Expected credit loss rate	2.5%	4.8%	6.5%	10.4%	14.3%	88.7%	
Gross carrying Amount	455,254	3,632,879	6,412,817	5,987,632	3,052,984	3,086,342	22,627,908
Loss allowance	11,418	176,188	413,967	619,751	436,507	2,736,532	4,394,363
	Current	30 days past due	31 to 90 days past due	91 to 180 days past due	181 to 270 days past due	Over 270 days	Total
December 31, 2024							
Expected credit loss rate	2.9%	4.5%	5.1%	8.8%	12.5%	51.1%	
Gross carrying Amount	123,265	2,658,963	4,896,321	5,263,259	3,965,471	3,855,564	20,762,843
Loss allowance	3,625	120,644	250,367	465,175	495,978	2,379,551	3,715,340

Deposit and other receivables

Other receivables comprise due from ministries, organizations, companies, and franchises, deposits with other and other receivables. These receivables are generally short-term in nature and management monitors these outstanding balances on regular basis and takes into consideration the creditworthiness of the counterparties as well as subsequent settlement of these amounts when assessing the related credit risks. On this basis, management concluded that the credit risk on these balances is minimal at the reporting date.

Cash and bank balances

Credit risk relating to cash and bank balances arises from the risk that the counterparty becomes insolvent, and accordingly, is unable to return the deposited funds.

To mitigate this risk, wherever possible, the Group conducts transactions and deposits funds with financial institutions with high investment grade and reasonable and acceptable credit ratings.

Liquidity risk

The Group manages liquidity risk through ongoing monitoring of cash flows, short-term liquidity forecasts, and funding headroom. Liquidity is centrally managed, and management is actively engaged in short-term and long-term cash flow planning on a rolling basis.

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33 Financial assets and financial liabilities (continued)

33.2 Financial instruments and risk management objectives and policies (continued)

Liquidity risk (continued)

To mitigate liquidity risk, the Group continuously negotiates with existing lenders to refinance its borrowings as and when needed and ensures having sufficient credit facilities to settle its liabilities as and when due in the event of having shortage in projected cash collections from customers. In managing liquidity risk, the Group takes into consideration that a significant portion of its revenue that is earned from individual consumers is settled in cash.

In the absence of these measures, the Group's ability to meet its financial obligations could depend on external market conditions and exchange rate movements (see below), which are being closely monitored by senior management and the Board.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining years from the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

	Within 1 year	1 to 5 years	After 5 years	Total
Trade and other payables	50,555,916	44,288,354	1,047,662	95,891,932
Lease liabilities	986,524	649,872	463,763	2,100,159
Loans and borrowings	38,433,287	23,240,930	752,127	62,426,344
As at December 31, 2025	89,975,727	68,179,156	2,263,552	160,418,435

	Within 1 year	1 to 5 years	After 5 years	Total
Trade and other payables	44,140,293	23,588,880	910,188	68,639,361
Lease liabilities	1,004,659	771,336	463,763	2,239,758
Loans and borrowings	51,084,227	44,288,354	1,047,662	96,420,243
As at December 31, 2024	96,229,179	68,648,570	2,421,613	167,299,362

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's results or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The sensitivity analyses in the following sections relate to the position as at December 31, 2025 and 2024.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of debt and the proportion of financial instruments in foreign currencies are all constant.

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(Amounts in thousands of Egyptian Pounds)

33 Financial assets and financial liabilities (continued)

33.2 Financial instruments and risk management objectives and policies (continued)

Market risk (continued)

The analyses exclude the impact of movements in market variables on provisions and the non-financial assets and liabilities of foreign operations.

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2025 and 2024.

Interest rate risk

The Group is exposed to interest rate risk as a result of changes in interest rates, particularly in relation to loans and borrowings and short-term deposits. Loans and borrowings bearing floating rates expose the Group to cash flow interest rate risk. Loans and borrowings bearing fixed rates expose the Group to fair value interest rate risk.

The basic strategy of interest rate risk management is to balance the debt structure with an appropriate mix of fixed and floating interest rate loans and borrowings based on the Group's perception of future interest rate movements.

In particular, the risk monitored relates to the impact of movements in floating rate indices on the Group's finance costs.

As at reporting date, the interest rate profile of the Group's financial instruments is as follows:

	2025	2024
<i>Financial instruments with variable interest rates</i>		
Financial assets – deposits	2,621,288	2,440,390
Financial liabilities – loans and borrowings	(73,222,360)	(80,726,267)
Net exposure at December 31,	(70,601,072)	(78,285,877)

Sensitivity analysis

The following table illustrates the sensitivity of the Group's profit and closing equity to a reasonably possible change in interest rates of $\pm 2\%$ (2024: $\pm 2\%$) with all other variables held constant. These changes are considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis includes only outstanding variable interest-bearing financial assets and liabilities and discloses the period end impact for a 2% change in the variable rate component of interest. Positive figures represent an increase in profit or equity.

	Profit for the year		Equity	
	+2%	-2%	+2%	-2%
2025	(1,412,021)	1,412,021	(1,094,317)	1,094,317
2024	(1,565,717)	1,565,717	(1,213,431)	1,213,431

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33 Financial assets and financial liabilities (continued)

33.2 Financial instruments and risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk

The Group is exposed to significant foreign currency risk, primarily in relation to USD and EUR denominated borrowings amounting to EGP 14,031 million as at December 31, 2025 (2024: EGP 16,811 million). These borrowings fall due within one year creating additional pressure on liquidity.

Management recognizes that the Group’s exposure to liquidity risk is inherently linked to its currency risk. A decline in the EGP could increase the foreign currency liabilities and place additional strain on cash resources.

To address this, the Group:

- Reviews opportunities to diversify currency inflows by increasing foreign currency denominated revenues, where possible.
- Explore the use of natural hedging strategies through operational cash flows from foreign operations.
- Consider the implementation of a limited foreign exchange hedge for a portion of its USD exposure to manage short-term volatility.

Although the Group has not historically used derivative financial instruments, management is actively evaluating their use to manage current exposures in 2026, subject to cost and counterparty considerations. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below:

	US Dollars	Euro
December 31, 2025		
Financial assets	422,086	21,765
Financial liabilities	(1,016,880)	(247,424)
Total exposure	(594,794)	(225,659)
Equivalent in EGP	(28,341,979)	(12,624,669)
December 31, 2024		
Financial assets	386,745	27,498
Financial liabilities	(968,214)	(213,965)
Total exposure	(581,469)	(186,467)
Equivalent in EGP	(29,556,083)	(10,388,232)

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33 Financial assets and financial liabilities (continued)

33.2 Financial instruments and risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 20%) increase and decrease in EGP against the relevant foreign currencies with all other variables held constant. 5% (2024: 20%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% (2024: 20%) change in foreign currency rates.

A positive number below indicates an increase in profit or equity where EGP strengthens 5% (2024: 20%) against the relevant currency. For a 5% (2024: 20%) weakening of EGP against the relevant currency, there would be a similar reverse impact on the profit or equity, and the balances below would be negative.

	Effect on net profit and equity	
	2025	2024
US Dollars	1,417,396	5,911,216
Euro	631,234	2,077,658

Other market price risk

Other market price risk is the risk that changes in market prices, such as equity prices, will affect the Group's results or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

33.3 Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net profit from operating activities divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to shareholders. There were no changes in the Group's approach to capital management during the years ended December 31, 2025, and 2024. The Group is not subject to externally imposed capital requirements.

Capital comprises share capital, legal reserve, foreign currency translation reserve, other reserves and retained earnings and is measured at EGP 47,874,473 thousand as at December 31, 2025 (2024: EGP 26,743,791 thousand).

34 Fair values

The Group should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Group does not need to conduct a thorough search of possible markets to determine the principal or the most advantageous market. However, the Group takes into consideration all information reasonably available.

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Notes to the consolidated financial statements (continued)
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34 Fair values (continued)

The hierarchy of the fair values, based on the input levels that are considered to be significant to the fair value measurement as a whole, is as follows:

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities which the Group can have access to at the date of measurement.
- Level 2 - Inputs other than quoted prices included within level I that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs of the asset or the liability.

Management assessed that the fair values of financial instruments are not materially different from their carrying values at the reporting date. The fair value of financial assets and liabilities are considered at the amount at which the instrument could be exchanged in a current transaction between willing parties.

Estimation of fair values

The key methods and assumptions used in estimating the fair values of financial instruments are as follows:

Current financial assets and liabilities

Management assessed that the fair values of cash and bank balances, trade and other receivables, trade and other payables, and due to an associate as at December 31, 2025, and 2024 approximate their carrying amounts largely due to the short-term maturities of the majority of these instruments.

Securities

The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments (Level 3 in the fair value hierarchy). The significant unobservable input used in the fair value measurement is the discount rate. A 5% increase in the discount rate is not expected to result in any material impact on the consolidated financial statements.

Loans and borrowings

Management assessed that the carrying amounts of long-term loans and borrowings as at December 31, 2025, and 2024 approximate their fair values due to the fact that they largely bear variable interest rates that reflect current market interest rates for similar borrowings. Fixed rate loans and borrowings are not significant to the Group. As a result, the values of the future discounted cash flows on loans and borrowings are not significantly different from their current book values.

Interest rates used for determining fair value

The Group uses the Government yield curve as of the reporting date, plus an adequate constant credit spread to discount financial instruments.

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35 Commitments and contingencies

35.1 Commitments

At December 31, 2025, the Group had commitments of EGP 4,112 million (2024: EGP 2,194 million) relating to property and equipment commitments in the form of letters of credit.

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

35.2 Contingencies

The Group has the following contingent liabilities:

	2025	2024
<i>Contingencies – Group</i>		
Letters of guarantee issued on behalf of the Group	3,900,101	3,868,736
<i>Contingencies – Group's share</i>		
Letters of guarantee issued 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 14). Management does not expect that any significant liability will result from these contingencies.

36 Segment reporting

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.

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36 Segment reporting (continued)

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

As at / for the year ended December 31, 2025	Communication, Marine cables and infrastructure	Internet	Outsourcing	All other segments	Total
Revenue					
External customers – local	26,294,314	44,498,037	511,632	864,105	72,168,088
External customer – foreign	31,303,376	470,977	2,730,505	-	34,504,858
Total external customers	57,597,690	44,969,014	3,242,137	864,105	106,672,946
Inter-segment	18,973,105	344,536	4,042,471	3,069,565	26,429,677
Gross profit	21,858,202	23,517,645	983,010	41,501	46,400,358
Call cost	(16,082,021)	-	-	-	(16,082,021)
Salaries and other employee benefits	(13,204,366)	(2,835,898)	(1,940,328)	(275,363)	(18,255,955)
Interest income	603,728	70,015	51,189	42,579	767,511
Finance costs	(13,695,301)	(18,320)	(59,003)	(1,175)	(13,773,799)
Depreciation and amortisation	(9,999,037)	(4,696,752)	(314,548)	(13,762)	(15,024,099)
Share of profit of associates, net	14,306,752	-	-	12,220	14,318,972
Gain on foreign exchange differences	748,628	225,449	4,556	34,372	1,013,005
Expected credit loss on financial assets	(291,705)	(454,310)	15,492	4,212	(726,311)
Income tax (expense)/credit, net	(4,012,718)	(3,033,586)	(114,235)	(39,860)	(7,200,399)
Total assets	201,102,009	8,547,101	2,975,382	794,916	213,419,408
Investments in associates	30,307,631	-	-	13,478	30,321,109
Total liabilities	151,604,008	8,072,648	1,254,650	4,576,150	165,507,456

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36 Segment reporting (continued)

As at / or the year ended December 31, 2024	Communication, Marine cables and infrastructure	Internet	Outsourcing	All other segments	Total
Revenue					
External customers – local	21,697,139	30,855,802	447,160	638,437	53,638,538
External customer – foreign	25,005,654	360,702	2,672,918	-	28,039,274
Total external customers	46,702,793	31,216,504	3,120,078	638,437	81,677,812
Inter-segment	14,470,149	191,650	3,463,776	4,117,615	22,243,190
Gross profit	14,712,051	14,744,096	1,175,060	364,036	30,995,243
Call cost	(13,064,610)	-	-	-	(13,064,610)
Salaries and other employee benefits	(11,952,679)	(2,302,296)	(1,551,518)	(227,688)	(16,034,181)
Interest income	464,963	54,059	21,155	33,574	573,751
Finance costs	(30,182,690)	(1,163,577)	121,662	59,735	(31,164,870)
Depreciation and amortisation	(9,693,750)	(4,169,730)	(276,078)	(9,125)	(14,148,683)
Share of profit of associates, net	7,090,748	-	-	-	7,090,748
(Loss)/gain on foreign exchange differences	(7,599,574)	(508,753)	3,221	(21,350)	(8,126,456)
Expected credit loss on financial assets	(289,670)	(170,130)	25,084	(9,683)	(444,399)
Income tax credit/(expense)	1,610,055	(883,766)	(158,076)	(207,720)	360,493
Total assets	164,096,663	11,256,985	3,021,456	1,714,529	180,089,633
Investments in associates	18,529,279	-	-	5,000	18,534,279
Total liabilities	139,166,106	8,241,635	1,658,963	4,256,983	153,323,687

37 Cash flows information

37.1 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities is disclosed in Notes 6 and 16.

37.2 Non-cash investing and financing activities

Non-cash investing and financing activities are as follows:

- Reclassification of trade and other receivables to property and equipment (Note 5).
- Additions to right-of-use assets and lease liabilities (Note 6).

37.3 Additional cash flow information

The following represent additional information about cash payments and receipts related to certain items included within operating activities in the consolidated statement of cash flows:

- Cash receipts from customers: EGP 106,222 million (2024: EGP 81,259 million).
- Cash payments to suppliers: EGP 25,883 million (2024: EGP 25,876 million).
- Cash payments to employees: EGP 13,257 million (2024: EGP 10,507 million).
- Cash payments to NTRA for license fees: EGP 5,314 million (2024: EGP 4,536 million).

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38 Comparative information

During the current year, management performed a reassessment of the accounting presentation of devices provided to customers under customer contracts related to the provision of home internet services. These devices are integral to the delivery of the Group's services and are primarily used to enable customers to access those services over the contractual period.

Following this reassessment, and in line with the requirements of IFRS 15 and IAS 16, management concluded that, upon inception of the contract with the customer, such devices should be more appropriately presented as property and equipment rather than as trade and other receivables.

Accordingly, the comparative information has been restated to reclassify the relevant balances from trade and other receivables to property and equipment.

In addition, the Group has reclassified accrued interest related to interest-bearing borrowings from trade and other payables to interest-bearing borrowings to better reflect the nature of these balances as part of the amortised cost of the underlying financial liabilities.

The above reclassifications did not have any impact on the Group's previously reported profit or equity. These reclassifications have been made by restating each of the affected financial statement line items for the prior periods, as follows:

Effect on the consolidated statement of financial position as at December 31, 2024	As previously reported	Reclassifications	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
Loans and borrowings (Current)	(42,314,808)	(749,806)	(43,064,614)
Trade and other payables (Current)	(38,173,992)	749,806	(37,424,186)

Effect on the consolidated statement of financial position as at January 1, 2024	As previously reported	Reclassifications	As currently reported
Property and equipment	72,896,743	878,650	73,775,393
Trade and other receivables	16,368,130	(878,650)	15,489,480
Loans and borrowings (Current)	(29,616,014)	(422,217)	(30,038,231)
Trade and other payables (Current)	(29,452,245)	422,217	(29,030,028)

39 Subsequent event

In its meeting held on March 30, 2026, the General Assembly of the shareholders approved the distribution of dividends of EGP 1.50 per share amounting to EGP 2,560,607 thousand.