

Emirates Telecommunications Group Company PJSC

Review reports and interim condensed consolidated financial statements
for the six months period ended 30 June 2024



Emirates Telecommunications Group Company PJSC

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Emirates Telecommunications Group Company PJSC

Management report on the interim condensed consolidated financial statement for the six months period ended 30 June 2024

Financial Review

1. Revenue, profit and earnings per share

e&'s financial performance for the six months period ended 30 June 2024 is summarised below:

- i) Consolidated revenue amounted to AED 28,306 million, representing an increase of AED 1,689 million (6.3 %) compared to the corresponding period in the prior year.
- ii) Profit attributable to the Owners of the Company amounted to AED 5,495 million, representing an increase of AED 785 million (16.7 %) when compared to the corresponding period in the prior year.
- iii) Earnings per share increased by AED 0.09 when compared to the corresponding period in the prior year.

2. Net assets

As compared to 31 December 2023, e&'s net assets decreased by AED 607 million to AED 50,467 million as at 30 June 2024.

3. Capital expenditure

e& incurred AED 3,440 million capital expenditure in the six month period ended 30 June 2024 (AED 3,040 million in the six month period ended 30 June 2023).

4. Dividends

On 23 April 2024, a final dividend for the year 2023 at the rate of AED 0.40 per share was approved for distribution to the shareholders registered at the close of business on 3 May 2024.

On 31 July 2024, the Board of Directors declared the first interim dividend for the year 2024 at the rate of AED 0.415 per share.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF EMIRATES TELECOMMUNICATIONS GROUP COMPANY PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Emirates Telecommunications Group Company PJSC (the "Company") and its subsidiaries (together referred to as "the Group" or collectively as "e&y") as at 30 June 2024 which comprise the interim condensed consolidated statement of financial position as at 30 June 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three months and six months then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six month period then ended, and summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 February 2024.

The interim condensed consolidated financial statements of the Group for the six month period ended 30 June 2023 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 1 August 2023.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of the Group are not prepared, in all material respects in accordance with IAS 34.



Signed by:
Ahmad Al Dali
Partner
Ernst & Young
Registration No 5548

31 July 2024
Abu Dhabi

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of profit or loss for the period

		(Unaudited)			
		Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
	Note	AED'000	AED'000	AED'000	AED'000
Revenue	4	14,092,203	13,614,051	28,305,798	26,616,543
Operating expenses	5	(9,038,747)	(8,511,774)	(18,652,820)	(17,212,052)
Impairment loss on trade receivables and contract assets		(206,842)	(262,975)	(448,920)	(407,583)
Impairment loss on other assets and other losses		(212)	(5,170)	(664)	(23,075)
Share of results of associates and joint ventures	12	691,446	167,046	1,144,409	307,853
Federal royalty	6	-	(774,436)	-	(1,527,419)
Operating profit		5,537,848	4,226,742	10,347,803	7,754,267
Finance and other income		558,806	489,118	1,197,787	1,024,497
Finance and other costs	26	(2,105,519)	(860,237)	(3,267,128)	(1,722,680)
Profit before federal royalty and corporate tax		3,991,135	3,855,623	8,278,462	7,056,084
Federal royalty	6	(1,404,486)	(636,534)	(2,749,030)	(1,225,286)
Corporate tax expenses	7	70,993	(430,563)	(412,570)	(739,750)
Profit for the period		2,657,642	2,788,526	5,116,862	5,091,048
Profit attributable to:					
Owners of the Company		3,165,031	2,522,472	5,494,601	4,709,232
Non-controlling interests		(507,389)	266,054	(377,739)	381,816
		2,657,642	2,788,526	5,116,862	5,091,048
Earnings per share					
Basic and diluted	9	AED 0.36	AED 0.29	AED 0.63	AED 0.54

The accompanying notes on pages 8 to 20 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of comprehensive income for the period

	Note	Unaudited			
		Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
		AED'000	AED'000	AED'000	AED'000
Profit for the period		2,657,642	2,788,526	5,116,862	5,091,048
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit obligation - net of tax		7,978	2,956	13,203	12,956
Gain / (loss) on revaluation of financial assets during the period		1,026	(2,394,099)	(389,142)	(1,530,972)
Share of other comprehensive income of associates and joint ventures - net of tax		55,955	-	37,575	-
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		76,690	392,107	(1,424,575)	(605,677)
Gain / (loss) on net investment hedge during the period	19	9,089	(42,998)	214,422	(221,427)
Fair value loss arising on cash flow hedges during the period	19	1,105	(2,185)	(18,323)	(21,832)
Cash flow hedges reclassified to profit or loss		-	-	(25,912)	-
Share of other comprehensive income of associates and joint ventures - net of tax		433,193	-	283,482	-
Total other comprehensive income / (loss)		585,036	(2,044,219)	(1,309,270)	(2,366,952)
Total comprehensive income for the period		3,242,678	744,307	3,807,592	2,724,096
Total comprehensive income attributable to:					
Owners of the Company		3,764,974	446,799	4,679,798	2,950,720
Non-controlling interests		(522,296)	297,508	(872,206)	(226,624)
		3,242,678	744,307	3,807,592	2,724,096

The accompanying notes on pages 8 to 20 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of financial position

		(Unaudited) 30 June 2024	(Audited) 31 December 2023
	Notes	AED'000	AED'000
Non-current assets			
Goodwill and other intangible assets	10	22,236,305	23,411,594
Property, plant and equipment	11	38,384,811	39,335,942
Right-of-use assets		1,686,905	1,680,979
Investments in associates and joint ventures	12	22,385,665	8,977,802
Other investments	13	8,850,427	19,795,521
Trade and other receivables	15	787,392	499,896
Finance lease receivables		1,402,177	1,442,979
Derivative financial instruments	19	9,096	39,249
Contract assets		525,137	537,658
Deferred tax assets		796,951	395,953
		97,064,866	96,117,573
Current assets			
Inventories		1,072,253	1,090,185
Trade and other receivables	15	16,797,646	16,397,865
Current income tax assets		949,577	491,065
Finance lease receivables		147,187	152,443
Due from related parties	14	108,783	74,362
Contract assets		2,563,656	2,545,688
Other investments	13	356,424	743,162
Derivative financial instruments	19	15,272	67,550
Cash and bank balances	16	23,861,131	28,989,387
Assets held for sale		235,097	234,975
		46,107,026	50,786,682
Total assets		143,171,892	146,904,255
Non-current liabilities			
Trade and other payables	17	1,941,349	1,763,257
Borrowings	18	41,881,690	35,850,092
Payables related to investments and licenses		222,715	236,379
Deferred tax liabilities		1,625,587	1,765,746
Lease liabilities		2,760,178	2,894,144
Provisions	26	372,010	367,092
Provision for employees' end of service benefits		1,239,046	1,194,245
Contract liabilities		49,812	91,805
		50,092,387	44,162,760
Current liabilities			
Trade and other payables	17	25,915,351	29,543,734
Contract liabilities		2,830,286	2,851,049
Borrowings	18	5,839,583	13,190,573
Payables related to investments and licenses		13,223	15,024
Current income tax liabilities		711,772	291,890
Lease liabilities		589,329	568,557
Provisions	26	6,450,424	5,039,163
Deferred tax liabilities		3,918	3,918
Provision for employees' end of service benefits		124,444	138,189
Derivative financial instruments	19	-	25,695
Due to related parties	14	134,105	-
		42,612,435	51,667,792
Total liabilities		92,704,822	95,830,552
Equity			
Share capital	20	8,696,754	8,696,754
Reserves		25,320,615	17,364,905
Retained earnings		9,838,691	16,596,235
Equity attributable to the owners of the Company		43,856,060	42,657,894
Non-controlling interests		6,611,010	8,415,809
Total equity		50,467,070	51,073,703
Total liabilities and equity		143,171,892	146,904,255

To the best of our knowledge, the financial information included in this interim condensed consolidated financial statements presents fairly, in all material respects, the financial position, results of operations and cash flows of e& as of, and for, the periods presented therein.

The accompanying notes on pages 8 to 20 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the six months period ended 30 June 2024 (Unaudited)

		Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital	Reserves	Retained earnings	Owners' equity		
	Notes	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2023		8,696,754	20,240,124	13,326,978	42,263,856	7,735,244	49,999,100
Profit for the period		-	-	4,709,232	4,709,232	381,816	5,091,048
Other comprehensive (loss) / income for the period		-	(1,771,468)	12,956	(1,758,512)	(608,440)	(2,366,952)
Total comprehensive income for the period		-	(1,771,468)	4,722,188	2,950,720	(226,624)	2,724,096
Other movements in equity		-	-	(353)	(353)	266,887	266,534
<i>Transaction with owners of the Company:</i>							
Acquisition of a subsidiary		-	-	-	-	52,310	52,310
Dividends	8	-	-	(3,477,198)	(3,477,198)	(736,454)	(4,213,652)
Balance at 30 June 2023		8,696,754	18,468,656	14,571,615	41,737,025	7,091,363	48,828,388
Balance at 1 January 2024		8,696,754	17,364,905	16,596,235	42,657,894	8,415,809	51,073,703
Profit for the period		-	-	5,494,601	5,494,601	(377,739)	5,116,862
Other comprehensive income / (loss) for the period		-	(829,225)	14,422	(814,803)	(494,467)	(1,309,270)
Total comprehensive income for the period		-	(829,225)	5,509,023	4,679,798	(872,206)	3,807,592
Other movements in equity		-	-	(4,434)	(4,434)	14,571	10,137
Transfer of fair value reserve of equity instruments designated at FVTOCI	12	-	8,784,935	(8,784,935)	-	-	-
<i>Transaction with owners of the Company:</i>							
Dividends	8	-	-	(3,477,198)	(3,477,198)	(947,164)	(4,424,362)
Balance at 30 June 2024		8,696,754	25,320,615	9,838,691	43,856,060	6,611,010	50,467,070

The accompanying notes on pages 8 to 20 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC
Interim condensed consolidated statement of cash flows for the period

	Note	Unaudited six months ended 30 June	
		2024	2023
		AED'000	AED'000
Cash flows from operating activities			
Operating profit		10,347,803	7,754,267
<i>Adjustments for:</i>			
Depreciation		2,684,386	2,744,445
Amortisation		802,813	750,421
Impairment loss on other assets and other losses		212	5,170
Share of results of associates and joint ventures		(1,144,409)	(307,853)
Provisions and allowances		71,057	161,021
Unrealised currency translation loss		225,189	77,079
Operating cash flows before changes in working capital		12,987,051	11,184,550
<i>Changes in working capital:</i>			
Inventories		(8,999)	(215,953)
Due from associates and joint ventures		(34,420)	(30,575)
Trade and other receivables including contract assets		(1,479,461)	(1,644,907)
Trade and other payables including contract liabilities		123,897	596,889
Cash generated from operations		11,588,068	9,890,004
Income taxes paid		(952,934)	(1,079,224)
Payment of employees' end of service benefits		(54,609)	(43,986)
Payment of royalty fee		(6,327,991)	(5,778,652)
Net cash generated from operating activities		4,252,534	2,988,142
Cash flows from investing activities			
Acquisition of a subsidiary (net of cash)		-	(51,814)
Investment in an associate		(925)	(221,272)
Acquisition of investment classified as fair value through OCI		(112,056)	(3,266,320)
Proceeds from disposal of investment classified as fair value through OCI		344,390	404,497
Acquisition of investment classified as fair value through profit or loss		(221)	-
Proceeds from disposal of investment classified as fair value through profit or loss		132,533	1,129,250
Acquisition of other investments		(133,528)	(98,101)
Acquisition of investments at amortised cost		(2,540,491)	(2,493,303)
Disposal of investments at amortised cost		830,632	215,640
Purchase of property, plant and equipment		(2,861,223)	(2,406,567)
Proceeds from disposal of property, plant and equipment		43,463	32,746
Purchase of intangible assets		(578,293)	(633,118)
Proceeds from disposal of intangible assets		22,319	2,114
Dividend income received from associates and other investments		712,492	527,679
Term deposits made with maturities over three months		(12,970,535)	(4,949,391)
Term deposits matured with maturities over three months		17,728,003	13,318,229
Cash flows from unwinding of derivative financial instruments		25,912	7,238
Finance and other income received		1,181,017	972,476
Net cash generated from investing activities		1,823,489	2,489,983
Cash flows from financing activities			
Proceeds from borrowings		9,168,680	21,804,197
Repayments of borrowings		(9,801,292)	(22,149,185)
Payment of lease liabilities		(286,007)	(383,090)
Dividends paid		(3,595,601)	(3,665,044)
Finance and other costs paid		(1,523,990)	(1,407,885)
Net cash used in financing activities		(6,038,210)	(5,801,007)
Net increase/(decrease) in cash and cash equivalents		37,813	(322,882)
Cash and cash equivalents at the beginning of the period		10,172,586	3,202,195
Effect of exchange rate fluctuations on cash held		(408,601)	(126,506)
Cash and cash equivalents at the end of the period	16	9,801,798	2,752,807

The accompanying notes on pages 8 to 20 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

1. General information

e& comprises Emirates Telecommunications Group Company PJSC (“the Company”), formerly known as Emirates Telecommunications Corporation (“the Corporation”) and its subsidiaries. The Corporation was incorporated in the United Arab Emirates (“UAE”), with limited liability, in 1976 by UAE Federal Government decree No. 78, which was revised by the UAE Federal Act No. (1) of 1991 (Etisalat Law) and further amended by Decretal Federal Code No. 3 of 2003 concerning the regulation of the telecommunications sector in the UAE. In accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Corporation to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government.

The Federal-Decree Law No. 3 of 2015 (“the New Law”) has amended certain provisions of Etisalat Law and new articles of association of Emirates Telecommunications Group Company PJSC (the “New AoA”) have been issued. Subsequent to the New Law and the New AoA, Emirates Telecommunications Corporation has been converted from a corporation to a public joint stock company and is subject to the provisions of UAE Federal Law No. 2 of 2015 on Commercial Companies (the “Companies Law”) unless otherwise stated in the Etisalat Law or New AoA. Accordingly, the name of the corporation has been changed to Emirates Telecommunications Group Company PJSC. Etisalat Law was further amended by Federal Decree -Law No. 1 of 2021, which increased the Non-UAE nationals ownership cap from 20% to 49% of the Company share capital.

Federal Decree - Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021 with one-year grace period for the existing companies which are subject to its provisions to adjust their status. e& held a General Assembly meeting on 8th December 2021, which approved all the necessary amendments to the Articles of Association to be aligned with Federal-Decree Law No. 26 of 2020.

Under the New Law and the New AoA: i) Two types of share have been introduced, i.e. ordinary shares and one Special Share held by the Emirates Investment Authority (“the Special Shareholder”) which carries certain preferential rights related to the passing of certain decisions by the Company. ii) The minimum number of ordinary shares held by any UAE government entity in the Company has been reduced from at least 60% of the Company’s share capital to not less than 51%, unless the Special Shareholder decides otherwise. iii) Shareholders, natural or legal person, who are Non-UAE National may own up to 20% of the Company’s ordinary shares, however, the shares owned by such persons / entities shall not hold any voting rights in the Company’s general assembly, although holders of such shares may attend such meeting. On 11 October 2018, the Board of Directors of e& approved by circulation to lift the restrictions on voting rights of foreign shareholders so that they shall enjoy the same voting rights of UAE citizens. Accordingly, a special resolution was passed during the Annual General Meeting held on 20 March 2019 to that effect, all required approvals were obtained and all necessary amendments were incorporated in the New AoA to put the afore-said resolution in place. e&’s Board of Directors, in its meeting on 20 January 2021, recommended to increase the foreign ownership limit from 20% to 49% of the Company’s share capital subject to the approval of e&’s General Assembly scheduled on 17 March 2021 and the approval of the competent authorities. On 29 August 2021, e& secured the required approvals for increasing the foreign ownership limit in its share capital to 49% and accordingly, the new foreign ownership limits have come into effect.

On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015. Companies had (1) one year from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. (32) of 2021. The Company’s annual general assembly approved in its meeting held on 5th April 2022 the amendments to its Articles of Association, in order to be compliant with the UAE Federal Decree Law No. (32) of 2021, and such amendments were also approved by Telecommunications and Digital Government Regulatory Authority (TDRA) via its Chairman resolution No. 18 of 2022 dated 27 June 2022 and published in the Official Gazette No 730 issued on 30 June 2022.

Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

1. General information *(continued)*

The address of the registered office of the Company is P.O. Box 3838, Abu Dhabi, United Arab Emirates. The Company's shares are listed on the Abu Dhabi Securities Exchange.

This interim condensed consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries ('the Group' or collectively as 'e&').

The principal activities of e& are to provide telecommunications services, media and related equipment including the provision of related contracting and consultancy services to international telecommunications companies and consortia. These activities are carried out through the Company (which holds a full service license from the UAE Telecommunications and Digital Government Regulatory Authority valid until 2025), its subsidiaries, associates and joint ventures.

This interim condensed consolidated financial statements was approved by the Board of Directors and authorised for issue on 30 July 2024.

2. Basis of preparation

This interim condensed consolidated financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable requirements of the UAE Federal Law No. 32 of 2021.

The information presented herein should be read in conjunction with e&'s last annual consolidated financial statements as at and for the year ended 31 December 2023. This interim condensed consolidated financial statements does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in e&'s consolidated financial position and performance since the last annual financial statements.

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying e&'s accounting policies. Actual results may differ from these estimates and judgments. The significant judgements made by management in applying e&'s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

This interim condensed consolidated financial statements is prepared under the historical cost convention except for the revaluation of certain financial instruments and in accordance with e&'s accounting policies as described in the last annual financial statements as at and for the year ended 31 December 2023.

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in e&'s consolidated financial statements as at and for the year ended 31 December 2023.

The interim condensed consolidated financial statements is presented in UAE Dirhams (AED) which is the Company's functional and presentation currency, rounded to the nearest thousand except where otherwise indicated.

3. Material accounting policies

The accounting policies and the methods of computation adopted in the preparation of this interim condensed consolidated financial statements are the same as those applied in the preparation of preceding annual published consolidated financial statements of e& for the year ended 31 December 2023.

Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

3. Material accounting policies (continued)

a) New and amended standards adopted by e&

The following amendments in the standards have been adopted in the interim condensed consolidated financial statements.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

There has been no material impact on the interim condensed consolidated financial statements of e& upon adoption of the above new and amended standards.

b) New and amended standards not effective and not yet adopted by e&

At the date of the interim condensed consolidated financial statements, the following other standards, amendments and Interpretations have not been effective and have not been early adopted by e&:

New and amended standards not effective and not yet adopted by e&	Effective date
Lack of Exchangeability (<i>Amendments to IAS 21</i>)	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (<i>Amendments to IFRS 10 and IAS 28</i>)	Deferred indefinitely
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026

These new and amended standards are not expected to have a significant impact on e&'s interim condensed consolidated financial statements.

4. Segmental information

Information regarding e&'s operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by e&'s chief operating decision maker and used to allocate resources to the segments and to assess their performance.

a) Products and services from which reportable segments derive their revenues

e& is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of e&'s revenues, profits and assets relate to its operations in the UAE. Outside of the UAE, e& operates through its subsidiaries and associates in various countries which are divided into the following operating segments:

- Morocco
- Egypt
- Pakistan
- International - others

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

4. Segmental information *(continued)*

a) Products and services from which reportable segments derive their revenues *(continued)*

Revenue is attributed to an operating segment based on the location of the associated companies reporting the revenue. Inter-segment sales are charged at agreed terms and prices.

e&'s share of results from associates and joint ventures has been allocated to the segments based on the geographical location of the operations of the associate and joint venture investments. The allocation is in line with how results from investments in associates and joint ventures are reported to e&'s Board of Directors ("Board of Directors").

b) Segment revenues and results

Segment results represent operating profit earned by each segment without allocation of finance income, finance costs and federal royalty. This is the measure reported to the Board of Directors for the purposes of resource allocation and assessment of segment performance.

c) Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total and non-current assets attributable to each segment. Goodwill is allocated based on separately identifiable Cash Generating Units. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

The segment information has been provided on the following page.

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

4. Segmental information (continued)

	UAE AED'000	International				Eliminations AED'000	Consolidated AED'000
		Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000		
Six months ended 30 June 2024							
Revenue							
External revenue	18,208,998	3,007,934	1,853,549	1,357,713	3,877,604	-	28,305,798
Inter-segment revenue	130,777	213,380	26,791	51,071	64,143	(486,162)	-
Total revenue	18,339,775	3,221,314	1,880,340	1,408,784	3,941,747	(486,162)	28,305,798
Segment result	6,916,570	1,145,053	376,885	14,996	1,894,298	-	10,347,802
Finance and other income							1,197,787
Finance and other costs							(3,267,128)
Profit before federal royalty and corporate tax							8,278,461
Federal royalty							(2,749,030)
Corporate tax expenses							(412,570)
Profit for the period							5,116,861
Total assets at 30 June 2024	78,494,014	29,156,380	4,956,538	10,075,501	33,048,067	(12,558,608)	143,171,892

Six months ended 30 June 2023

Revenue							
External revenue	17,203,691	2,996,408	1,687,286	1,156,424	3,572,734	-	26,616,543
Inter-segment revenue	134,549	229,878	26,197	58,532	53,427	(502,583)	-
Total revenue	17,338,240	3,226,286	1,713,483	1,214,956	3,626,161	(502,583)	26,616,543
Segment result	5,269,479	1,107,657	307,338	(93,404)	1,163,197	-	7,754,267
Finance and other income							1,024,497
Finance and other costs							(1,722,680)
Profit before federal royalty and corporate tax							7,056,084
Federal royalty							(1,225,286)
Corporate tax expenses							(739,750)
Profit for the period							5,091,048
Total assets at 31 December 2023	82,007,069	28,462,964	6,794,135	10,083,683	32,335,746	(12,779,342)	146,904,255

Breakdown of external revenue:

The following is an analysis of e&'s external revenue

Six months ended 30 June 2024							
Mobile	5,945,539	1,440,274	1,640,716	538,711	3,413,533	-	12,978,773
Fixed	5,776,239	1,230,872	112,068	568,381	245,710	-	7,933,270
Equipment	1,259,033	190,690	42,178	6,651	6,194	-	1,504,746
Others	5,228,187	146,098	58,587	243,970	212,167	-	5,889,009
Total	18,208,998	3,007,934	1,853,549	1,357,713	3,877,604	-	28,305,798

Six months ended 30 June 2023							
Mobile	5,767,148	1,444,739	1,507,749	415,268	3,277,288	-	12,412,192
Fixed	5,684,670	1,239,349	107,834	528,436	225,516	-	7,785,805
Equipment	1,146,993	171,116	19,845	5,813	14,471	-	1,358,238
Others	4,604,880	141,204	51,858	206,907	55,459	-	5,060,308
Total	17,203,691	2,996,408	1,687,286	1,156,424	3,572,734	-	26,616,543

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

5. Operating expenses

	Note	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
		AED'000	AED'000	AED'000	AED'000
Direct cost of sales		4,052,343	3,861,696	8,270,197	7,554,444
Staff costs		1,235,853	1,083,650	2,483,331	2,195,597
Depreciation		1,337,368	1,350,308	2,684,386	2,744,445
Network and other related costs		789,893	707,422	1,541,755	1,401,907
Amortisation		398,372	382,425	802,813	750,421
Regulatory expenses	(i)	337,717	345,928	723,316	705,473
Marketing expenses		263,221	213,398	534,962	412,024
Consultancy cost		215,818	161,440	451,135	294,296
Operating lease rentals		22,187	21,034	53,335	36,904
IT costs		149,765	112,144	273,342	226,699
Foreign exchange (gain) / loss		(9,122)	(4,118)	257,770	259,263
Other operating expenses		245,332	276,447	576,478	630,579
Operating expenses		9,038,747	8,511,774	18,652,820	17,212,052

i) Regulatory expenses:

Regulatory expenses include ICT fund contributions required to be paid by the Company to the UAE Telecommunications Regulatory Authority (TRA) at 1% of its net regulated revenue annually.

6) Federal royalty

a) Federal royalty under old royalty regime

In accordance with the Cabinet decision No. 558/1 for the year 1991, the Company was required to pay a federal royalty, equivalent to 40% of its annual net profit before such federal royalty, to the UAE Government for use of federal facilities. With effect from 1 June 1998, Cabinet decision No. 325/28M for 1998, it was increased to 50%.

On 9 December 2012, the Cabinet of Ministers of UAE issued decision no. 320/15/23 of 2012 in respect of a new royalty mechanism applicable to the Company. Under this mechanism a distinction was made between revenue earned from services regulated by Telecommunications and Digital Government Regulatory Authority ("TDRA") and non-regulated services as well as between foreign and local profits. The Company was required to pay 15% royalty fee on the UAE regulated revenues and 35% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues. In respect of foreign profit, the 35% royalty was reduced by the amount that the foreign profit has already been subject to foreign taxes.

On 25 February 2015, the MoF issued revised guidelines (which were received by the Company on 1 March 2015) for the computation of federal royalty for the financial years ended 31 December 2014, 2015 and 2016 (the "Guidelines"). In accordance with the Guidelines, the royalty rate for 2016 was reduced to 30% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues.

On 20 February 2017, the MoF announced the federal royalty scheme to be applied on e& for the periods 2017 to 2021 ("the new royalty scheme"). According to the new royalty scheme, e& will pay 15% royalty fees on the UAE regulated revenue and 30% royalty fees on profit generated from regulated services after deduction of the 15% royalty fees on the UAE regulated revenue. Royalty fees on profits from international operations shall be considered only if similar fees paid in the country of origin are less than the fees that could have been imposed in the UAE. Consequent to the issuance of the new royalty scheme, clarifications were obtained and correspondences were exchanged between e& and MoF (the "Correspondence").

On 03 January 2022, the MoF issued new guidelines for the computation of federal royalty for the financial years 2022 to 2024 (the "new guidelines") with no changes to the guidelines issued previously in February 2017.

b). Federal royalty under current regime

On 03 November 2023, e& received the new Royalty Guidelines for the telecommunications sector from the MoF outlining the details of the new Telecom Federal Royalty regime for the period starting 1 January 2024 to 31 December 2026. This is in addition to the Corporate Tax Law applicable to e& effective from 1 January 2024.

Under the new Royalty Guidelines, the federal royalty rate of 38% will be applied on the sum of regulated and non-regulated UAE net profit. The federal royalty amount will be deducted from net profit for the computation of taxable income under the UAE Corporate Tax Law. Further, a corporate tax rate of 9% on profit will be applied from 1 January 2024 to 31 December 2026.

The new Royalty Guidelines excludes from the royalty calculation any profits generated from international controlled entities, profits of international non-controlled entities (associates and joint ventures), dividends or other profit distributions received from international investments that are already subject to local corporate or other similar tax in the respective jurisdiction at 9% or above, and profit attributable to non-controlling interest holders of the UAE controlled entities. Further, unlike earlier, e& will not be liable to pay any royalty on the UAE regulated revenue.

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

6. Federal royalty (continued)

The aggregate of annual amount of royalty and corporate tax shall not be lower than AED 5.7 billion and the annual royalty and corporate tax amount are to be paid within five months from the end of the fiscal year.

The mechanism for the computation of federal royalty payable for the period ended 30 June 2024 was in accordance with the new royalty scheme and the Correspondence.

7. Corporate tax

The components of corporate tax expenses in the interim condensed consolidated statements of profit or loss are:

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Current corporate tax expenses	296,745	449,107	891,930	907,690
Deferred tax expense relating to origination and reversal of temporary differences	(367,738)	(18,544)	(479,360)	(167,940)
	(70,993)	430,563	412,570	739,750

Corporate tax includes UAE Corporate tax amounting to AED 410 million (2023: AED nil).

8. Dividends

Amounts recognised as distribution to equity holders:	AED'000
Six months ended 30 June 2024	
Final dividend for the year ended 31 December 2023 of AED 0.40 per share	3,477,198
	3,477,198
Six months ended 30 June 2023	
Final dividend for the year ended 31 December 2022 of AED 0.40 per share	3,477,198
	3,477,198

9. Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Earnings (AED'000)				
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	3,165,031	2,522,472	5,494,601	4,709,232
Number of shares ('000)				
Weighted average number of ordinary shares for the purposes of basic earnings per share	8,696,754	8,696,754	8,696,754	8,696,754
Earnings per share				
Basic and diluted	AED 0.36	AED 0.29	AED 0.63	AED 0.54

e& does not have potentially dilutive shares and accordingly, diluted earnings per share equals to basic earnings per share.

10. Goodwill and other intangible assets

The movement in the goodwill and other intangible assets is provided below:

	30 June 2024	31 December 2023
	AED'000	AED'000
Opening balance	23,411,594	22,339,232
Additions	236,115	619,677
Transfers from property, plant and equipment	342,178	628,197
Acquisition of subsidiaries	-	1,142,089
Transfers and other movements	-	264,124
Disposals	(22,319)	(102,584)
Amortisation and impairment losses	(827,355)	(1,646,785)
Exchange difference	(903,908)	167,644
Closing balance	22,236,305	23,411,594

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

11. Property, plant and equipment

	30 June 2024 AED'000	31 December 2023 AED'000
Opening balance	39,335,942	39,925,299
Additions	3,203,401	6,667,812
Transfers to intangible assets	(342,178)	(628,197)
Disposals	(32,550)	(42,012)
Depreciation	(2,395,377)	(5,444,341)
Impairment charge	(664)	(58,172)
Acquisition of subsidiaries	-	47,658
Exchange difference	(1,383,763)	(1,132,105)
Closing balance	38,384,811	39,335,942

12. Investments in associates and joint ventures

Investment in shares of Vodafone

On 14 May 2022, e& announced acquisition of 9.8% shares in Vodafone Group Plc ("Vodafone"). This was followed by a further increase in shareholding by e& to 14.57% as at 31 March 2023. On 11 May 2023, e& and Vodafone announced signing of a Strategic Relationship Agreement, whereby e& was entitled to nominate one Non-Executive Director to the Board and Nominations and Governance Committee of Vodafone. Pursuant to signing of the Agreement, the e& Group CEO joined the Vodafone Board as a Non-Executive Director as well as be part of its Nominations & Governance Committee on 19 February 2024 after all necessary approvals were received.

Pursuant to the aforementioned events, e& through its Board representation got the right to participate in critical financial, operational and strategic matters thereby exercising significant influence over Vodafone with effect from 19 February 2024 ("Effective Date"). Accordingly, the investment in Vodafone which was earlier accounted for as a financial instrument carried at Fair Value through OCI (FVOCI) under IFRS 9 will now be accounted for using equity method under IAS 28. Under equity method, the initial cost of investment would be measured by reference to the fair value of the shares as on the Effective Date and the carrying amount would be increased or decreased to recognise the investor's share of the profit or loss of the investee after the Effective Date.

On the acquisition date, e& performed a preliminary assessment of the fair value of the assets and liabilities purchased and concluded that the provisional fair value of identifiable net assets acquired approximates to AED12.7 billion. Accordingly, bargain purchase of AED 507 million on a provisional basis has been recognised by e& and included within the share of results of associates and joint ventures.

The estimated fair values are not yet finalised and are subject to change, which could be significant. e& will finalise the amounts recognised as it obtains the information necessary to complete the analyses. e& expects to finalise the provisional purchase price allocation as soon as possible but no later than one year from the Effective Date of significant influence.

The share of results of associates and joint ventures in the consolidated financial statements of e& for the period ended 30 June 2024 include share of results of Vodafone for the period from the Effective Date and the aforementioned provisional bargain purchase gain. As a consequence of the change in classification from FVTOCI to associate, e& has reclassified AED 8.8 billion from Investment revaluation reserve to Retained earnings.

13. Other investments

	30 June 2024 AED'000	31 December 2023 AED'000
Fair value through profit & loss	489,182	626,068
Fair value through other comprehensive income	863,518	13,733,200
Amortised cost	7,854,151	6,179,415
Total other investments	9,206,851	20,538,683
included in current assets	356,424	743,162
included in non-current assets	8,850,427	19,795,521

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

14. Related party transactions and balances

Transactions between the Company and its subsidiaries and those between subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between e& and other related parties are disclosed below.

a) Federal Government and state controlled entities

As stated in Note 1, in accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Company to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government. e& provides telecommunication services to the Federal Government (including Ministries and local bodies). These transactions are at agreed terms. The principal management and other services provided to e&'s associates are set out below based on agreed contractual terms and conditions. The credit period allowed to Government customers ranges from 90 to 120 days. Trade receivables include an amount of AED 1,274 million (31 December 2023: AED 1,337 million), which are net of allowance for doubtful debts of AED 315 million (31 December 2023: AED 351 million), receivable from Federal Ministries and local bodies. See Note 6 for disclosure of the royalty payable to the Federal Government of the UAE.

In accordance with IAS 24 "Related Party Disclosures", e& has elected to disclose qualitatively the transactions with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence. The nature of the transactions that e& has with such related parties is the provision of telecommunication services and procurement of services.

b) Associates and Joint ventures

	Associates		Joint Ventures	
	2024	2023	2024	2023
	AED '000	AED '000	AED '000	AED '000
Trading transactions for the six months ended 30 June				
Telecommunication services – sales	223,525	165,595	-	-
Telecommunication services – purchases	125,103	99,832	-	-
Management and other services	38,683	5,764	2,475	2,183
Due from related parties as at 30 June 2024 / 31 December 2023	100,901	68,118	7,882	6,244
Due to related parties as at 30 June 2024 / 31 December 2023	134,105	-	-	-

Sales to related parties comprise of provision of telecommunication products and services (primarily voice traffic and leased circuits) by e& based on agreed terms. Purchases relate exclusively to the provision of telecommunication products and services by associates to e& based on normal commercial terms. The net amount due from related parties are unsecured and will be settled in cash.

15. Trade and other receivables

	30 June 2024	31 December 2023
	AED'000	AED'000
Amount receivable for services rendered	11,396,808	10,711,609
Amounts due from other telecommunication operators/carriers	2,791,788	2,634,158
Total gross carrying amount	14,188,596	13,345,767
Lifetime expected credit loss	(3,448,717)	(3,172,928)
Net trade receivables	10,739,879	10,172,839
Prepayments	983,559	823,841
Accrued income	1,214,987	1,064,512
Advances	1,536,396	1,426,516
Indirect taxes receivable	273,686	443,961
Dividend receivable	305,955	720,431
Other receivables	2,530,576	2,245,661
Net trade and other receivables	17,585,038	16,897,761
Total trade and other receivables	17,585,038	16,897,761
of which current trade and other receivables	16,797,646	16,397,865
of which non-current other receivables	787,392	499,896

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

16. Cash and bank balances

	30 June 2024	31 December 2023
	AED'000	AED'000
Maintained in UAE	10,513,268	14,159,630
Maintained overseas, unrestricted in use	13,098,897	14,486,893
Maintained overseas, restricted in use	248,966	342,864
Cash and bank balances	23,861,131	28,989,387
Less: Deposits with maturities exceeding three months from the date of deposit	(14,059,333)	(18,816,801)
Cash and cash equivalents	9,801,798	10,172,586

Cash and cash equivalents comprise cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are denominated primarily in UAE Dirham, with financial institutions and banks. Interest is earned on these investments at prevailing market rates. The carrying amount of these assets approximates to their fair value.

17. Trade and other payables

	30 June 2024	31 December 2023
	AED'000	AED'000
Current		
Federal royalty	2,749,030	6,320,850
Trade payables	6,199,300	6,202,528
Amounts due from other telecommunication operators/carriers	2,623,830	2,808,453
Accruals	7,799,228	8,210,980
Other taxes payable	1,246,137	1,841,425
Advances from customers	402,156	319,629
Deferred income	218,992	251,272
Funds payable and amounts due to customers	1,920,165	2,081,604
Other payables and accruals	2,756,513	1,506,993
	25,915,351	29,543,734
Non-current		
Other payables	1,941,349	1,763,257
	1,941,349	1,763,257

18. Borrowings

	Carrying Amounts	
	30 June 2024	31 December 2023
	AED'000	AED'000
Bank borrowings		
Short term bank borrowings	4,719,829	5,057,999
Bank loans	33,614,482	32,401,727
Other borrowings		
Bonds	8,589,410	10,692,026
Vendor financing	255,276	266,589
Others	-	80,048
	47,178,997	48,498,389
Advance from non-controlling interests	542,276	542,276
Total borrowings	47,721,273	49,040,665
of which due within 12 months	5,839,583	13,190,573
of which due after 12 months	41,881,690	35,850,092

The carrying values of e&'s bank and other borrowings, excluding bonds, approximate their fair values. Fair values of bonds are calculated using quoted market prices.

Advances from non-controlling interests represent advances paid by the minority shareholder of Etisalat International Pakistan LLC (EIP) towards e&'s acquisition of its 26% stake in PTCL, net of repayments. The amount is interest free and is not repayable within 12 months of the interim condensed consolidated statement of financial position date and accordingly the full amount is carried in non-current liabilities. The fair value of advances is not equivalent to its carrying value as it is interest-free.

During the period, e& fully repaid USD 500 million notes in accordance with their maturity profile.

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

19. Hedge accounting and derivatives

In prior years, Euro bonds issued (refer to Note 18) and interest rate swap have been designated as net investment hedges and cash flow hedges respectively. The effective portion of the hedge instruments is reported in the other comprehensive income is as follow:

	Six months ended 30 June	
	2024	2023
	AED'000	AED'000
Effective part directly recognized in other comprehensive income / (loss)		
Other comprehensive income/(loss) on net investment hedge	214,422	(221,427)
Other comprehensive loss on cash flow hedges	(18,323)	(21,832)
Total effective part directly recognised in other comprehensive income	196,099	(243,259)

	30 June 2024	31 December 2023
	AED'000	AED'000
Fair value of derivative financial instruments		
Fair value of forward contracts and options	2,291	3,831
Fair value of derivative swaps	22,077	77,273
Total derivative financial instruments	24,368	81,104
included in current assets	15,272	67,550
included in non-current assets	9,096	39,249
included in non-current liabilities	-	(25,695)

20. Share capital

	30 June 2024	31 December 2023
	AED'000	AED'000
Authorised:		
10,000 million (2022: 10,000 million) ordinary shares of AED 1 each	10,000,000	10,000,000
Issued and fully paid up:		
8,696.8 million (2022: 8,696.8 million) ordinary shares of AED 1 each	8,696,754	8,696,754

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

21. Contingent liabilities

(i) e& and its associates are disputing certain charges from the governmental and telecom regulatory agencies and telecom operators in certain International jurisdictions but do not expect any material adverse effect on e&'s financial position and results from resolution of these disputes.

(ii) In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on 12 June 2015 the Apex Court decided the case in the interest of pensioners.

On 13 July 2015, Review Petitions were filed in Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the "Review Petitioners") against the Supreme Court Judgment.

The Supreme Court disposed the Review Petitions and directed the Review Petitioners to seek remedy under section 12(2) of the Civil Procedure Code (the "CPC"), and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts.

The decision of the Appeals bench of the Supreme Court on 10 May 2018 clarified that voluntary separation scheme ("VSS") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. Notwithstanding this development, many retirees, including VSS pensioners, have continued to submit petitions before the Supreme Court. The Chief Justice of Pakistan has decided to bring the matter back for a rehearing by the Supreme Court.

Separately, the Islamabad High Court (IHC) issued a decision on 3 March 2020, in which it upheld the rights of certain retirees ("T&T retirees") to benefit from periodic government increases in pensions and additional benefits, although it also held that the same did not apply to the VSS pensioners.

In response, PTCL and PTET raised an Intra Court Appeal against the exemption granted to the T&T retirees before the Divisional Bench at the Islamabad High Court. On 24 September 2020, the Intra Court appeals were adjourned for consolidation of all Intra court Intra Court appeals before one bench. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET and postponed the case until 14 July 2021.

Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Supreme court within the limitation.

The management of PTCL, on the advice of their lawyers, believes that PTCL's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunications (Re-Organization) Act, 1996 and the Pension Trust rules of 2012 and accordingly, no provision has been recognized in the consolidated financial statements in respect of these proceedings.

22. Capital Commitments

e& has approved future capital projects and investment commitments to the extent of AED 4,930 million (31 December 2023: AED 3,631 million). e& has issued letters of credit amounting to AED 541 million (31 December 2023: AED 454 million).

23. Fair value disclosures

e& has Euro bonds and cross currency swaps which are designated as net investment hedges. e& has in place cross currency USD-EUR swaps which were designated as hedges of net investment. The fair value of the cross currency swaps were calculated by discounting the future cash flows to the net present value using appropriate market interest and prevailing foreign currency rates. The fair value of cross currency swaps represent Level 2 fair values. e& has quoted equity investments in listed equity securities. The fair values of these equity securities are derived from quoted prices in active markets for identical assets, which in accordance with IFRS 7 Financial Instruments: Disclosure, represent Level 1 fair values. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

24. Seasonality and cyclicity of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the periods ended 30 June 2024 or 30 June 2023.

25. Comparative Information

In order to conform with current period presentation, the comparative figures for federal royalty in the previous period have been re-presented (refer to Note 6). Such re-presented figures do not affect the previously reported profit, comprehensive income or equity.

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Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2024

26. Significant events

a) On 3 July 2024, the Court of Appeal of Casablanca rejected Maroc Telecom's appeal and confirmed the decision of the Commercial Court of Rabat issued on 29 January 2024. This decision mandates Maroc Telecom to pay MAD 6,368 million (AED 2.3 billion) to Wana Corporate in damages for unfair competition and abuse of dominant market position. Full provision of the related amount has been made in the consolidated financial statements as at 30 June 2024. This court decision did not impact the profit attributable to the owners of the Company for the period due to adequate coverage of international regulatory risks.

b) On 25 June 2024, e& enterprise, a wholly owned subsidiary of e&, signed a binding agreement with Mediterra Capital and the individual selling shareholder to acquire 100% of GlassHouse, a Türkiye-based cloud services provider, for an enterprise value of US\$60 million on a cash free, debt free basis. Closing of the transaction remains subject to customary closing conditions.