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**Emirates Telecommunications Group
Company PJSC**

**Review reports and interim condensed consolidated
financial statements for the three months period ended
31 March 2025**

Emirates Telecommunications Group Company PJSC

Review reports and interim condensed consolidated financial statements for the three months period ended 31 March 2025

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Emirates Telecommunications Group Company PJSC

Management report on the interim condensed consolidated financial statements for the three months period ended 31 March 2025

Financial Review

1. Revenue, profit and earnings per share

e&'s financial performance for the three months period ended 31 March 2025 is summarised below:

- i) Consolidated revenue amounted to AED 16,864 million, representing an increase of AED 2,651 million (18.7%) compared to the corresponding period in the prior year.
- ii) Profit attributable to the Owners of the Company amounted to AED 5,355 million, representing an increase of AED 3,025 million (129.9%) when compared to the corresponding period in the prior year.
- iii) Earnings per share increased by AED 0.35 when compared to the corresponding period in the prior year.

2. Net assets

As compared to 31 December 2024, e&'s net assets increased by AED 5,489 million to AED 59,385 million as at 31 March 2025.

3. Capital expenditure

e& incurred AED 2,111 million capital expenditure in the three months period ended 31 March 2025 (AED 1,653 million in the three months period ended 31 March 2024).

4. Dividends

On 15 April 2025, at the Annual General Assembly Meeting a final dividend for the year 2024 at the rate of AED 0.415 per share was approved for distribution to the shareholders to be paid on 9 May 2025.



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**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&”) as at 31 March 2025 which comprise the interim condensed consolidated statement of financial position as at 31 March 2025, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim 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.

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.

For Ernst & Young

Ahmad Al Dali
Registration No 5548

29 April 2025
Abu Dhabi, United Arab Emirates

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of profit or loss for the period

	Notes	(Unaudited)	
		Three months ended 31 March	
		2025	2024
		AED'000	AED'000
Revenue	4	16,864,452	14,213,595
Operating expenses	5	(11,525,552)	(9,614,073)
Impairment loss on trade receivables and contract assets		(293,294)	(242,078)
Impairment loss on other assets - net		(177)	(452)
Share of results of associates and joint ventures		19,385	452,963
Operating profit		5,064,814	4,809,955
Finance and other income	11	5,354,344	638,981
Finance and other costs		(701,863)	(1,161,609)
Profit before federal royalty and corporate tax		9,717,295	4,287,327
Federal royalty	6	(3,276,994)	(1,344,544)
Corporate tax expenses	7	(886,818)	(483,563)
Profit for the period		5,553,483	2,459,220
Profit attributable to:			
Owners of the Company		5,354,823	2,329,570
Non-controlling interests		198,660	129,650
		5,553,483	2,459,220
Earnings per share			
Basic and diluted	8	AED 0.62	AED 0.27

The accompanying notes on pages 8 to 19 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

	Notes	(Unaudited)	
		Three months ended 31 March	
		2025	2024
		AED'000	AED'000
Profit for the period		5,553,483	2,459,220
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation - net of tax		(3,105)	5,225
Loss on revaluation of financial assets during the period		(4,559)	(390,168)
Share of other comprehensive loss of associates and joint ventures – net of tax		(145,392)	(18,380)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		1,204,472	(1,501,265)
(Loss) / gain on net investment hedge during the period	18	(502,495)	205,333
Fair value loss arising on cash flow hedges during the period	18	(3,090)	(19,428)
Cash flow hedges reclassified to profit or loss	18	-	(25,912)
Share of other comprehensive loss of associates and joint ventures – net of tax		(293,053)	(149,711)
Total other comprehensive income / (loss)		252,778	(1,894,306)
Total comprehensive income for the period		5,806,261	564,914
Total comprehensive income attributable to:			
Owners of the Company		5,398,363	914,824
Non-controlling interests		407,898	(349,910)
		5,806,261	564,914

The accompanying notes on pages 8 to 19 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of financial position

	Notes	(Unaudited)	(Audited)
		31 March	31 December
		2025	2024
		AED'000	AED'000
Non-current assets			
Goodwill and other intangible assets	9	46,794,192	44,389,254
Property, plant and equipment	10	43,710,475	43,421,531
Right-of-use assets		3,128,908	2,776,094
Investments in associates and joint ventures	11	18,491,696	22,428,244
Other investments	12	7,251,663	7,223,255
Trade and other receivables	14	750,211	726,065
Finance lease receivables		1,288,935	1,316,304
Derivative financial instruments	18	78,452	456,722
Contract assets		915,336	863,575
Deferred tax assets		698,240	581,282
		123,108,108	124,182,326
Current assets			
Inventories		1,230,053	1,200,048
Trade and other receivables	14	18,631,427	17,051,602
Current income tax assets		816,050	1,005,138
Finance lease receivables		157,472	169,047
Due from related parties	13	49,950	119,765
Contract assets		2,931,138	2,901,242
Other investments	12	747,320	2,448,409
Derivative financial instruments	18	4,581	5,612
Cash and bank balances	15	44,509,487	33,628,232
Assets held for sale		-	238,574
		69,077,478	58,767,669
Total assets		192,185,586	182,949,995
Non-current liabilities			
Trade and other payables	16	1,939,912	1,582,181
Borrowings	17	34,738,525	33,658,532
Payables related to investments and licenses		1,080,987	1,045,331
Conditional commitment to acquire NCI's share		8,347,577	8,092,091
Deferred tax liabilities		2,183,303	2,122,555
Lease liabilities		3,803,296	3,602,260
Provisions		613,283	600,351
Provision for employees' end of service benefits		1,390,300	1,342,162
Contract liabilities		79,224	104,091
		54,176,407	52,149,554
Current liabilities			
Trade and other payables	16	34,124,162	31,382,335
Contract liabilities		3,136,062	3,167,513
Borrowings	17	33,902,717	35,536,446
Payables related to investments and licenses		527,051	572,716
Current income tax liabilities		1,882,798	1,262,928
Lease liabilities		942,172	806,414
Provisions		3,861,915	3,886,633
Provision for employees' end of service benefits		117,260	142,293
Due to related parties	13	129,836	146,890
		78,623,973	76,904,168
Total liabilities		132,800,380	129,053,722
Equity			
Share capital	19	8,696,754	8,696,754
Reserves		25,224,187	25,128,915
Retained earnings		17,037,419	11,738,964
Equity attributable to the owners of the Company		50,958,360	45,564,633
Non-controlling interests		8,426,846	8,331,640
Total equity		59,385,206	53,896,273
Total liabilities and equity		192,185,586	182,949,995

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 19 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of changes in equity for the three month period ended 31 March 2025 (Unaudited)

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Notes	Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Owners' equity AED'000		
Balance at 1 January 2024, audited		8,696,754	17,364,905	16,596,235	42,657,894	8,415,809	51,073,703
Profit for the period		-	-	2,329,570	2,329,570	129,650	2,459,220
Other comprehensive income / (loss) for the period		-	(1,420,023)	5,277	(1,414,746)	(479,560)	(1,894,306)
Total comprehensive income		-	(1,420,023)	2,334,847	914,824	(349,910)	564,914
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	8,784,935	(8,784,935)	-	-	-
Other movements in equity		-	-	(250)	(250)	5,350	5,100
<i>Transactions with owners of the Company:</i>							
Dividends		-	-	-	-	(741,788)	(741,788)
Balance at 31 March 2024, unaudited		8,696,754	24,729,817	10,145,897	43,572,468	7,329,461	50,901,929
Balance at 1 January 2025, audited		8,696,754	25,128,915	11,738,964	45,564,633	8,331,640	53,896,273
Profit for the period		-	-	5,354,823	5,354,823	198,660	5,553,483
Other comprehensive (loss) / income for the period		-	96,365	(52,825)	43,540	209,238	252,778
Total comprehensive income		-	96,365	5,301,998	5,398,363	407,898	5,806,261
Other movements in equity		-	(1,093)	(3,543)	(4,636)	36,963	32,327
<i>Transactions with owners of the Company:</i>							
Dividends		-	-	-	-	(349,655)	(349,655)
Balance at 31 March 2025, unaudited		8,696,754	25,224,187	17,037,419	50,958,360	8,426,846	59,385,206

The accompanying notes on pages 8 to 19 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

	Notes	(Unaudited)	
		Three months ended 31 March	
		2025	2024
		AED'000	AED'000
Cash flows from operating activities			
Operating profit		5,064,814	4,809,955
<i>Adjustments for:</i>			
Depreciation		1,578,728	1,345,061
Amortisation		733,633	424,238
Impairment and other losses		177	452
Share of results of associates and joint ventures		(19,385)	(452,963)
Provisions and allowances		39,203	54,908
Unrealised currency translation (gain) / loss		(310,373)	349,864
Operating cash flows before changes in working capital		7,086,797	6,531,515
<i>Changes in working capital:</i>			
Inventories		(12,271)	(107,202)
Due from associates and joint ventures		60,109	(15,188)
Trade and other receivables including contract assets		(1,431,624)	(1,571,251)
Trade and other payables including contract liabilities		(898,914)	746,042
Cash generated from operations		4,804,097	5,583,916
Corporate taxes paid		(209,448)	(397,569)
Payment of end of service benefits		(29,439)	(8,199)
Net cash generated from operating activities		4,565,210	5,178,148
Cash flows from investing activities			
Proceeds from disposal of investment in an associate		8,012,698	-
Acquisition of investment classified as fair value through OCI		(37,831)	231
Acquisition of investment classified as fair value through profit or loss		(151,420)	-
Proceeds from disposal of investment classified as fair value through profit or loss		36,143	121,305
Proceeds from disposal of investment classified as fair value through OCI		1,733,980	29,326
Acquisition of other investments		(20,009)	(107,082)
Acquisition of investments at amortised cost		-	(1,118,171)
Proceeds from disposal of investments at amortised cost		129,423	592,629
Purchase of property, plant and equipment		(1,056,369)	(1,207,361)
Proceeds from disposal of property, plant and equipment		75,950	30,374
Purchase of intangible assets		(1,055,025)	(445,221)
Dividend income received from associates and other investments		342,817	704,346
Net decrease in term deposits made with maturities over three months		13,182,502	1,248,849
Cash flows from unwinding of derivative financial instruments		-	25,912
Finance and other income received		498,828	625,563
Net cash generated from investing activities		21,691,687	500,700
Cash flows from financing activities			
Proceeds from borrowings		4,958,081	6,824,096
Repayments of borrowings		(6,566,700)	(7,189,372)
Payment of lease liabilities		(257,625)	(196,274)
Dividends paid		(22,978)	(19,773)
Finance and other costs paid		(784,871)	(746,928)
Net cash used in financing activities		(2,674,093)	(1,328,251)
Net increase in cash and cash equivalents		23,582,804	4,350,597
Cash and cash equivalents at the beginning of the period		7,594,345	10,172,586
Effect of exchange rate fluctuations on cash held		480,792	(450,670)
Cash and cash equivalents at the end of the period	15	31,657,941	14,072,513

The accompanying notes on pages 8 to 19 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 three months period ended 31 March 2025

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 three months period ended 31 March 2025

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 three months ended 31 March 2025 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 29 April 2025.

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 2024. 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 2024.

The accounting policies applied in these condensed consolidated financial information are the same as those applied in e&'s consolidated financial statements as at and for the year ended 31 December 2024.

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.

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Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

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 2024.

a) New and amended standards adopted by e&

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

- Lack of Exchangeability (*Amendments to IAS 21*)

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
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
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Contracts referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

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 (CODM) and used to allocate resources to the segments and to assess their performance.

In 2024, e& has revised its operating segments to align with the management reporting following the journey of transformation to a global technology group and creation of new verticals.

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Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

4. Segmental information *(continued)*

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

e& strategy is designed to transition e& topline stability to sustained growth. e& aspires to change its business composition from being UAE telco centric to a more balanced geographic profile with higher revenue contribution outside of UAE and from the non-telco verticals.

e& is engaged in the supply of telecommunications services and related products as well as provision of tech services. For management reporting purposes, e& is organised into below verticals which are reportable segments:

- e& UAE operations – provides integrated telecommunication services and digital solutions for consumers, businesses, and government entities in the UAE.
- e& International – represents group's portfolio of controlled international telecommunication and digital assets outside UAE with operations spanning across regions.
- e& Life – leads e& in tech space by providing leading consumer digital businesses across multiple areas such as fintech, entertainment and everything app services.
- e& enterprise – provides advanced digital capabilities to customers, artificial intelligent and digital transformation.
- Others

Revenue is attributed to an operating segment based on the vertical reporting the revenue. Inter-segment revenues are charged at mutually agreed prices. Inter-segment revenues are eliminated upon consolidation and reflected in the elimination column.

e&'s share of results from associates and joint ventures has been allocated to the Others segment in line with how results from investments in associates and joint ventures are reported to the 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.

Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

4. Segmental information (continued)

	e& UAE AED'000	e& International AED'000	e& Enterprise AED'000	e& Life AED'000	Others AED'000	Eliminations AED'000	Consolidated AED'000
31 March 2025							
Revenue							
External revenue	8,183,435	7,088,205	790,950	480,163	321,699	-	16,864,452
Inter-segment revenue	250,601	49,550	29,363	118,454	389,677	(837,645)	-
Total revenue	8,434,036	7,137,755	820,313	598,617	711,376	(837,645)	16,864,452
Segment result	3,671,344	1,566,710	24,302	(235,369)	37,827	-	5,064,814
Finance and other income							5,354,344
Finance and other costs							(701,863)
Profit before federal royalty and corporate tax							9,717,295
Federal royalty							(3,276,994)
Corporate tax expenses							(886,818)
Profit for the year							5,553,483
Depreciation and amortisation	649,232	1,555,358	19,624	46,094	21,033	-	2,291,341
Impairment and other losses	-	177	-	-	-	-	177
Share of results of associates and joint ventures	-	-	-	-	19,385	-	19,385
Total assets	111,346,849	101,504,258	5,755,768	4,034,247	28,758,452	(59,213,988)	192,185,586
Non-current assets *	58,568,262	74,909,776	824,715	2,247,397	26,491,624	(40,710,358)	122,331,416
Total liabilities	74,647,409	90,159,087	5,542,052	1,721,521	11,423,187	(50,692,876)	132,800,380
Investments in associates and joint ventures	-	-	-	-	18,491,696	-	18,491,696
31 March 2024							
Revenue							
External revenue	7,975,151	4,968,475	663,686	329,192	277,091	-	14,213,595
Inter-segment revenue	235,848	49,337	25,260	118,025	349,547	(778,017)	-
Total revenue	8,210,999	5,017,812	688,946	447,217	626,638	(778,017)	14,213,595
Segment result	3,630,457	1,119,154	66,107	-183,669	177,906	-	4,809,955
Finance and other income							638,981
Finance and other costs							(1,161,609)
Profit before federal royalty and corporate tax							4,287,327
Federal royalty							(1,344,544)
Corporate tax expenses							(483,563)
Profit for the year							2,459,220
Depreciation and amortisation	603,582	1,080,816	14,893	33,104	19,064	-	1,751,459
Impairment and other losses	-	452	-	-	-	-	452
Share of results of associates and joint ventures	-	-	-	-	452,963	-	452,963
31 December 2024							
Total assets	98,645,491	98,933,714	4,873,191	4,322,486	32,393,983	(56,218,870)	182,949,995
Non-current assets *	56,885,508	71,814,716	797,194	2,252,089	30,206,070	(38,811,255)	123,144,322
Total liabilities	72,827,723	88,635,517	4,661,882	1,823,551	11,328,611	(50,223,562)	129,053,722
Investments in associates and joint ventures	-	-	-	-	22,428,244	-	22,428,244

* Non-current assets exclude derivative financial assets and deferred tax assets.

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Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

5. Operating expenses

	Note	Three months ended 31 March	
		2025	2024
		AED'000	AED'000
Direct cost of sales		5,247,509	4,217,854
Staff costs		1,438,472	1,247,478
Depreciation		1,576,421	1,347,018
Network and other related costs		891,963	751,862
Amortisation		714,920	404,441
Regulatory expenses	(i)	392,763	385,599
Marketing expenses		323,433	271,741
Consultancy cost		247,920	235,317
Operating lease rentals		30,315	31,148
IT costs		162,554	123,577
Foreign exchange loss		17,666	266,892
Other operating expenses		481,616	331,146
Operating expenses		11,525,552	9,614,073

i) Regulatory expenses:

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

6. Federal royalty

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.

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 31 March 2025 was in accordance with the 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 31 March	
	2025	2024
Current corporate tax expenses	971,393	595,185
Deferred tax expense relating to origination and reversal of temporary differences	(84,575)	(111,622)
	886,818	483,563

Corporate tax includes UAE Corporate tax amounting to AED 481 million (2024: AED 200 million).

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Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

8. Earnings per share

	Three months ended 31 March	
	2025	2024
Earnings (AED'000)		
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	5,354,823	2,329,570
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic earnings per share	8,696,754	8,696,754
Earnings per share		
Basic and diluted	AED 0.62	AED 0.27

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

9. Goodwill and other intangible assets

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

	31 March	31 December
	2025	2024
	AED'000	AED'000
Opening balance	44,389,254	24,120,541
Additions	1,055,025	1,984,859
Transfers from property, plant and equipment	389,475	814,214
Acquisition of subsidiaries	-	23,238,114
Disposals	(20,773)	(84,449)
Amortisation and impairment loss	(733,633)	(3,317,026)
Exchange difference	1,714,844	(2,366,999)
Closing balance	46,794,192	44,389,254

10. Property, plant and equipment

	31 March	31 December
	2025	2024
	AED'000	AED'000
Opening balance	43,421,531	39,335,942
Additions	1,364,445	7,522,109
Transfers to intangible assets	(389,475)	(814,214)
Disposals	(53,042)	(140,400)
Depreciation	(1,358,754)	(4,695,775)
Impairment loss	(3,164)	(19,303)
Acquisition of subsidiaries	1,955	4,132,423
Exchange difference	726,979	(1,899,251)
Closing balance	43,710,475	43,421,531

11. Investments in associates and joint ventures

On 26 March 2025, e& announced the completion of the transaction with Group 42 Holding Ltd ("G42") and Khazna Data Center Holdings Limited ("Khazna") to divest its 40% stake in Khazna for a cash proceeds of USD 2.2 billion (equivalent to AED 8.0 billion).

e& recognised a gain of USD 1.4 billion (AED 5.1 billion) before federal royalty and corporate tax on the transaction and derecognised the investment in Khazna as at that date. The gain on disposal is included in finance and other income in the interim condensed consolidated statement of profit or loss for the period.

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Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

12. Other investments	31 March 2025	31 December 2024
	AED'000	AED'000
Fair value through profit & loss	723,281	591,136
Fair value through other comprehensive income	1,348,321	3,085,265
Amortised costs	5,927,381	5,995,263
Total other investments	7,998,983	9,671,664
included in current assets	747,320	2,448,409
included in non-current assets	7,251,663	7,223,255

The fair values of these instruments are not materially different to their carrying amounts as at 31 March 2025.

13. Related party transactions

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 1,442 million (31 December 2024: AED 1,257million), which are net of allowance for doubtful debts of AED 243 million (31 December 2024: AED 318 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) Joint ventures and associates

	Associates		Joint Ventures	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Trading transactions for the three months ended 31 March				
Telecommunication services – sales	159,673	41,197	-	-
Telecommunication services – purchases	48,811	19,290	-	-
Management and other services revenue	25,165	19,285	1,557	1,202
Due from related parties as at 31 March 2025 / 31 December 2024	42,316	111,966	7,634	7,799
Due to related parties as at 31 March 2025 / 31 December 2024	129,836	146,890	-	-

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.

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Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

14. Trade and other receivables	31 March	31 December
	2025	2024
	AED'000	AED'000
Amount receivable for services rendered	12,704,600	11,863,801
Amounts due from other telecommunication operators/carriers	3,187,327	3,135,175
Total gross carrying amount	15,891,927	14,998,976
Lifetime expected credit loss	(3,615,535)	(3,467,584)
Net trade receivables	12,276,392	11,531,392
Prepayments	1,147,860	770,660
Accrued income	1,222,187	1,045,781
Advances	1,616,396	1,769,262
Indirect taxes receivable	253,414	265,954
Dividend receivable	276,473	338,553
Other receivables	2,588,916	2,056,065
Net trade and other receivables	19,381,638	17,777,667
Total trade and other receivables	19,381,638	17,777,667
of which current trade and other receivables	18,631,427	17,051,602
of which non-current other receivables	750,211	726,065

15. Cash and cash equivalents	31 March	31 December
	2025	2024
	AED'000	AED'000
Maintained in UAE	30,323,663	17,274,665
Maintained overseas, unrestricted in use	13,772,953	16,058,905
Maintained overseas, restricted in use	412,871	294,662
Cash and bank balances	44,509,487	33,628,232
Less: Deposits with maturities exceeding three months from the date of deposit	(12,851,546)	(26,033,887)
Cash and cash equivalents	31,657,941	7,594,345

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.

16. Trade and other payables	31 March	31 December
	2025	2024
	AED'000	AED'000
Current		
Federal royalty	8,559,491	5,282,497
Trade payables	7,737,591	7,516,393
Amounts due to other telecommunication operators/carriers	2,632,557	2,589,929
Accruals	8,147,318	8,590,908
Other taxes payable	2,572,792	2,524,528
Advances from customers	316,751	335,858
Deferred income	272,106	233,371
Funds payable and amounts due to customers	2,156,273	2,713,298
Other payables and accruals	1,729,283	1,595,553
	34,124,162	31,382,335
Non-current		
Other payables	1,939,912	1,582,181
	1,939,912	1,582,181

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Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

17. Borrowings

	Carrying Amounts	
	31 March 2025	31 December 2024
	AED'000	AED'000
Bank borrowings		
Short term bank borrowings	7,249,075	6,999,567
Bank loans	47,623,469	46,588,950
Other borrowings		
Bonds	12,869,631	14,736,149
Vendor financing	337,688	314,851
Others	19,103	13,185
	68,098,966	68,652,702
Advance from non-controlling interests	542,276	542,276
Total Borrowings	68,641,242	69,194,978
of which due within 12 months	33,902,717	35,536,446
of which due after 12 months	34,738,525	33,658,532

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.

18. Hedge accounting and derivatives

In prior years, Euro bonds issued and interest rate swap have been designated as net investment hedges and cash flow hedges respectively. The effective portion of the hedge instruments as reported in the interim condensed consolidated statement of comprehensive income is as follows:

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
Effective part directly recognized in other comprehensive (loss) / income		
Other comprehensive (loss) / income on net investment hedge	(502,495)	205,333
Other comprehensive loss on cash flow hedges	(3,090)	(45,340)
Total effective part directly recognised in other comprehensive (loss) / income	(505,585)	159,993
	31 March 2025	31 December 2024
	AED'000	AED'000
Fair value of derivative financial instruments		
Fair value of forward contracts and options	75,979	449,857
Fair value of derivative swaps	7,054	12,477
Total derivative financial instruments	83,033	462,334
included in current assets	4,581	5,612
included in non-current assets	78,452	456,722

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Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

19. Share capital	31 March 2025	31 December 2024
	AED'000	AED'000
Authorised:		
10,000 million (2024: 10,000 million) ordinary shares of AED 1 each	10,000,000	10,000,000
Issued and fully paid up:		
8,696.8 million (2024: 8,696.8 million) ordinary shares of AED 1 each	8,696,754	8,696,754

20. 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. Proceedings are ongoing before the Supreme Court.

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 interim condensed consolidated financial statements in respect of these proceedings.

21. Capital Commitments

e& has approved future capital projects and investment commitments to the extent of AED 7,936 million (31 December 2024: AED 8,201 million). e& has issued letters of credit amounting to AED 412 million (31 December 2024: AED 574 million).

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Notes to the interim condensed consolidated financial statements for the three months period ended 31 March 2025

22. 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.

23. Seasonality and cyclicity of interim operations

There were no significant items of seasonal or cyclical nature in the interim operations during the periods ended 31 March 2025 and 31 March 2024.

24. Other significant events

Further to the decision from the Court of Appeal of Casablanca mandating Maroc Telecom to pay 6.38 billion Moroccan dirham (equivalent in AED 2.4 billion) to Wana Corporate "Inwi" for alleged anticompetitive practices, Maroc Telecom reached a settlement on its ongoing competition law litigation with Inwi". As part of this settlement the indemnity amount will be reduced to 4.38 billion Moroccan dirham (equivalent to AED 1.7 billion) and the financial impact of the reduction will be recognized upon fulfilment of conditions by both parties to the settlement agreement. Additionally, both companies signed a new strategic partnership to create two joint-ventures: one focused on the deployment of fiber-optic passive infrastructure and the other dedicated to the rollout of new telecommunications towers.

25. Subsequent event

On 2 April 2025, e& PPF Telecom Group BV (e& PPF Telecom) completed the acquisition from United Group B.V. ("United Group") 100% stake in SBB d.o.o. Serbia ("SBB") for a consideration of EUR 825 million on a cash free, debt free basis.

SBB is a leading cable television and broadband internet service provider in Serbia with over 700,000 active customers, strong market offerings and skilful management team. The transaction enables e& PPF Telecom to combine SBB with its Serbian mobile subsidiary Yettel, thereby creating a leading converged operator offering enhanced Mobile, Fixed BB and Pay-TV services.