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**Emirates Telecommunications Group  
Company PJSC**

**Review reports and interim condensed consolidated  
financial statements for the six months period ended  
30 June 2025**

# Emirates Telecommunications Group Company PJSC

Review reports and interim condensed consolidated financial statements for the six months period ended 30 June 2025

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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 2025

### Financial Review

#### 1. Revenue, profit and earnings per share

e&'s financial performance for the six months period ended 30 June 2025 is summarised below:

- i) Consolidated revenue amounted to AED 34,910 million, representing an increase of AED 6,604 million (23.3%) compared to the corresponding period in the prior year.
- ii) Profit attributable to the Owners of the Company amounted to AED 8,827 million, representing an increase of AED 3,333 million (60.7%) when compared to the corresponding period in the prior year.
- iii) Earnings per share increased by AED 0.38 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 7,225 million to AED 61,121 million as at 30 June 2025.

#### 3. Capital expenditure

e& incurred AED 5,138 million capital expenditure in the six month period ended 30 June 2025 (AED 3,440 million in the six month period ended 30 June 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.

On 31 July 2025, the Board of Directors declared the first interim dividend for the year 2025 at the rate of AED 0.43 per share.

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
TO THE SHAREHOLDERS 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 30 June 2025 which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and explanatory notes. Management is responsible for the preparation and 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

31 July 2025  
Abu Dhabi, United Arab Emirates

## 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	
		2025	2024	2025	2024
	Note	AED'000	AED'000	AED'000	AED'000
<b>Revenue</b>	4	<b>18,045,775</b>	<b>14,092,203</b>	<b>34,910,227</b>	<b>28,305,798</b>
Operating expenses	5	(12,278,847)	(9,038,747)	(23,804,399)	(18,652,820)
Impairment loss on trade receivables and contract assets		(264,823)	(206,842)	(558,117)	(448,920)
Impairment loss on other assets and other losses		(1,053)	(212)	(1,230)	(664)
Share of results of associates and joint ventures		840,573	691,446	859,958	1,144,409
<b>Operating profit</b>		<b>6,341,625</b>	<b>5,537,848</b>	<b>11,406,439</b>	<b>10,347,803</b>
Finance and other income	12	1,668,720	558,806	7,023,064	1,197,787
Finance and other costs		(1,400,558)	(2,105,519)	(2,102,421)	(3,267,128)
<b>Profit before federal royalty and corporate tax</b>		<b>6,609,787</b>	<b>3,991,135</b>	<b>16,327,082</b>	<b>8,278,462</b>
Federal royalty	6	(1,189,465)	(1,404,486)	(4,466,459)	(2,749,030)
Corporate tax expenses	7	(1,116,165)	70,993	(2,002,983)	(412,570)
<b>Profit for the period</b>		<b>4,304,157</b>	<b>2,657,642</b>	<b>9,857,640</b>	<b>5,116,862</b>
Profit attributable to:					
Owners of the Company		3,472,343	3,165,031	8,827,166	5,494,601
Non-controlling interests		831,814	(507,389)	1,030,474	(377,739)
		<b>4,304,157</b>	<b>2,657,642</b>	<b>9,857,640</b>	<b>5,116,862</b>
<b>Earnings per share</b>					
Basic and diluted	9	AED 0.40	AED 0.36	AED 1.01	AED 0.63

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

	Note	Unaudited			
		Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		AED'000	AED'000	AED'000	AED'000
<b>Profit for the period</b>		<b>4,304,157</b>	<b>2,657,642</b>	<b>9,857,640</b>	<b>5,116,862</b>
<b>Other comprehensive income / (loss)</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurement of defined benefit obligation - net of tax		1,021	7,978	(2,084)	13,203
(Loss)/gain on revaluation of financial assets during the period		(13,764)	1,026	(18,323)	(389,142)
Share of other comprehensive income of associates and joint ventures - net of tax		80,559	55,955	(64,833)	37,575
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translation of foreign operations		1,300,680	76,690	2,505,152	(1,424,575)
(Loss)/gain on net investment hedge during the period	19	(467,605)	9,089	(970,100)	214,422
Fair value (loss)/gain arising on cash flow hedges during the period	19	(2,015)	1,105	(5,105)	(18,323)
Cash flow hedges reclassified to profit or loss	19	-	-	-	(25,912)
Share of other comprehensive income of associates and joint ventures - net of tax		297,807	433,193	4,754	283,482
<b>Total other comprehensive income / (loss)</b>		<b>1,196,683</b>	<b>585,036</b>	<b>1,449,461</b>	<b>(1,309,270)</b>
<b>Total comprehensive income for the period</b>		<b>5,500,840</b>	<b>3,242,678</b>	<b>11,307,101</b>	<b>3,807,592</b>
Total comprehensive income attributable to:					
Owners of the Company		4,268,634	3,764,974	9,666,997	4,679,798
Non-controlling interests		1,232,206	(522,296)	1,640,104	(872,206)
		<b>5,500,840</b>	<b>3,242,678</b>	<b>11,307,101</b>	<b>3,807,592</b>

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

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# Emirates Telecommunications Group Company PJSC

## Interim condensed consolidated statement of financial position

		(Unaudited) 30 June 2025	(Audited) 31 December 2024
	Notes	AED'000	AED'000
<b>Non-current assets</b>			
Goodwill and other intangible assets	10	52,648,408	44,389,254
Property, plant and equipment	11	46,201,166	43,421,531
Right-of-use assets		3,409,691	2,776,094
Investments in associates and joint ventures	12	19,336,928	22,428,244
Other investments	13	8,447,542	7,223,255
Trade and other receivables	15	728,776	726,065
Finance lease receivables		1,247,747	1,316,304
Derivative financial instruments	19	-	456,722
Contract assets		1,031,335	863,575
Deferred tax assets		653,131	581,282
		<b>133,704,724</b>	<b>124,182,326</b>
<b>Current assets</b>			
Inventories		1,239,028	1,200,048
Trade and other receivables	15	19,380,004	17,051,602
Current income tax assets		716,205	1,005,138
Finance lease receivables		159,007	169,047
Due from related parties	14	85,215	119,765
Contract assets		3,276,151	2,901,242
Other investments	13	963,863	2,448,409
Derivative financial instruments	19	2,799	5,612
Cash and bank balances	16	30,862,060	33,628,232
Assets held for sale		-	238,574
		<b>56,684,332</b>	<b>58,767,669</b>
<b>Total assets</b>		<b>190,389,056</b>	<b>182,949,995</b>
<b>Non-current liabilities</b>			
Trade and other payables	17	1,932,625	1,582,181
Borrowings	18	23,966,198	33,658,532
Payables related to investments and licenses		1,098,151	1,045,331
Conditional commitment to acquire NCI's share		9,142,320	8,092,091
Deferred tax liabilities		2,572,228	2,122,555
Lease liabilities		3,993,303	3,602,260
Provisions		636,000	600,351
Provision for employees' end of service benefits		1,404,829	1,342,162
Contract liabilities		89,617	104,091
		<b>44,835,271</b>	<b>52,149,554</b>
<b>Current liabilities</b>			
Trade and other payables	17	31,607,182	31,382,335
Contract liabilities		3,414,808	3,167,513
Borrowings	18	41,393,494	35,536,446
Payables related to investments and licenses		559,811	572,716
Current income tax liabilities		1,401,362	1,262,928
Lease liabilities		1,007,597	806,414
Provisions		4,056,706	3,886,633
Provision for employees' end of service benefits		130,823	142,293
Derivative financial instruments	19	715,730	-
Due to related parties	14	145,047	146,890
		<b>84,432,560</b>	<b>76,904,168</b>
<b>Total liabilities</b>		<b>129,267,831</b>	<b>129,053,722</b>
<b>Equity</b>			
Share capital	20	8,696,754	8,696,754
Reserves		26,281,178	25,128,915
Retained earnings		16,841,755	11,738,964
<b>Equity attributable to the owners of the Company</b>		<b>51,819,687</b>	<b>45,564,633</b>
Non-controlling interests		9,301,538	8,331,640
<b>Total equity</b>		<b>61,121,225</b>	<b>53,896,273</b>
<b>Total liabilities and equity</b>		<b>190,389,056</b>	<b>182,949,995</b>

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.

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## Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the six months period ended 30 June 2025 (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
<b>Balance at 1 January 2024, audited</b>		<b>8,696,754</b>	<b>17,364,905</b>	<b>16,596,235</b>	<b>42,657,894</b>	<b>9,052,604</b>	<b>51,710,498</b>
Profit for the period		-	-	5,494,601	5,494,601	(377,739)	5,116,862
Other comprehensive (loss) / income for the period		-	(829,225)	14,422	(814,803)	(494,467)	(1,309,270)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(829,225)</b>	<b>5,509,023</b>	<b>4,679,798</b>	<b>(872,206)</b>	<b>3,807,592</b>
Other movements in equity		-	-	(4,434)	(4,434)	14,571	10,137
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	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)
<b>Balance at 30 June 2024, unaudited</b>		<b>8,696,754</b>	<b>25,320,615</b>	<b>9,838,691</b>	<b>43,856,060</b>	<b>7,247,805</b>	<b>51,103,865</b>
<b>Balance at 1 January 2025, audited</b>		<b>8,696,754</b>	<b>25,128,915</b>	<b>11,738,964</b>	<b>45,564,633</b>	<b>8,331,640</b>	<b>53,896,273</b>
Profit for the period		-	-	8,827,166	8,827,166	1,030,474	9,857,640
Other comprehensive income / (loss) for the period		-	887,813	(47,982)	839,831	609,630	1,449,461
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>887,813</b>	<b>8,779,184</b>	<b>9,666,997</b>	<b>1,640,104</b>	<b>11,307,101</b>
Other movements in equity		-	(517)	(7,326)	(7,843)	8,745	902
Non-controlling interest put option			264,967	-	264,967	(264,166)	801
<i>Transaction with owners of the Company:</i>							
Sale of interest to non-controlling interest		-	-	(61,475)	(61,475)	61,475	-
Capital contribution by non-controlling interest		-	-	-	-	60,734	60,734
Dividends	8	-	-	(3,607,592)	(3,607,592)	(536,994)	(4,144,586)
<b>Balance at 30 June 2025, unaudited</b>		<b>8,696,754</b>	<b>26,281,178</b>	<b>16,841,755</b>	<b>51,819,687</b>	<b>9,301,538</b>	<b>61,121,225</b>

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

	Note	Unaudited six months ended 30 June	
		2025	2024
		AED'000	AED'000
<b>Cash flows from operating activities</b>			
<b>Operating profit</b>		<b>11,406,439</b>	<b>10,347,803</b>
<i>Adjustments for:</i>			
Depreciation		3,314,821	2,684,386
Amortisation		1,549,379	802,813
Impairment loss on other assets and other losses		1,230	212
Share of results of associates and joint ventures		(859,958)	(1,144,409)
Provisions and allowances		45,604	71,057
Unrealised currency translation (gain)/loss		(571,608)	225,189
<b>Operating cash flows before changes in working capital</b>		<b>14,885,907</b>	<b>12,987,051</b>
<i>Changes in working capital:</i>			
Inventories		21,325	(8,999)
Due from associates and joint ventures		34,551	(34,420)
Trade and other receivables including contract assets		(1,684,805)	(1,479,461)
Trade and other payables including contract liabilities		(230,072)	123,897
<b>Cash generated from operations</b>		<b>13,026,906</b>	<b>11,588,068</b>
Income taxes paid		(1,550,500)	(952,934)
Payment of employees' end of service benefits		(53,272)	(54,609)
Payment of royalty fee		(5,274,439)	(6,327,991)
<b>Net cash generated from operating activities</b>		<b>6,148,695</b>	<b>4,252,534</b>
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary (net of cash)		(3,524,380)	-
Proceeds from disposal of investment in an associate		8,012,707	-
Investment in an associate		-	(925)
Acquisition of investment classified as fair value through OCI		(459,992)	(112,056)
Proceeds from disposal of investment classified as fair value through OCI		1,738,564	344,390
Acquisition of investment classified as fair value through profit or loss		(257,107)	(221)
Proceeds from disposal of investment classified as fair value through profit or loss		55,505	132,533
Acquisition of other investments		(21,880)	(133,528)
Acquisition of investments at amortised cost		(141,936)	(2,540,491)
Proceeds from disposal of investments at amortised cost		210,184	830,632
Purchase of property, plant and equipment		(2,614,556)	(2,861,223)
Proceeds from disposal of property, plant and equipment		132,246	43,463
Purchase of intangible assets		(2,215,600)	(578,293)
Proceeds from disposal of intangible assets		36,055	22,319
Dividend income received from associates and other investments		630,136	712,492
Net decrease in term deposits made with maturities over three months		8,188,445	4,757,468
Cash flows from unwinding of derivative financial instruments		-	25,912
Finance and other income received		2,130,053	1,181,017
<b>Net cash generated from investing activities</b>		<b>11,898,444</b>	<b>1,823,489</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		10,817,077	9,168,680
Repayments of borrowings		(17,813,162)	(9,801,292)
Payment of lease liabilities		(494,685)	(286,007)
Dividends paid		(3,724,063)	(3,595,601)
Finance and other costs paid		(1,633,468)	(1,523,990)
<b>Net cash used in financing activities</b>		<b>(12,848,301)</b>	<b>(6,038,210)</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,198,838</b>	<b>37,813</b>
Cash and cash equivalents at the beginning of the period		7,594,345	10,172,586
Effect of exchange rate fluctuations on cash held		223,562	(408,601)
<b>Cash and cash equivalents at the end of the period</b>	16	<b>13,016,745</b>	<b>9,801,798</b>

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

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# Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 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 six months period ended 30 June 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 six months ended 30 June 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 31 July 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.

# Emirates Telecommunications Group Company PJSC

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

The amendments to *IAS 21 The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the e&'s interim condensed consolidated financial statements.

#### 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&:

<b>New and amended standards not effective and not yet adopted by e&amp;</b>	<b>Effective date</b>
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.

# Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

## 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.

### 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 six months period ended 30 June 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
<b>30 June 2025</b>							
<b>Revenue</b>							
External revenue	16,525,144	15,030,424	1,652,878	996,795	704,986	-	34,910,227
Inter-segment revenue	532,023	156,070	66,601	224,652	817,926	(1,797,272)	-
<b>Total revenue</b>	<b>17,057,167</b>	<b>15,186,494</b>	<b>1,719,479</b>	<b>1,221,447</b>	<b>1,522,912</b>	<b>(1,797,272)</b>	<b>34,910,227</b>
<b>Segment result</b>	<b>7,342,352</b>	<b>3,592,900</b>	<b>34,782</b>	<b>(464,850)</b>	<b>901,255</b>	<b>-</b>	<b>11,406,439</b>
Finance and other income							7,023,064
Finance and other costs							(2,102,421)
<b>Profit before federal royalty and corporate tax</b>							<b>16,327,082</b>
Federal royalty							(4,466,459)
Corporate tax expenses							(2,002,983)
<b>Profit for the year</b>							<b>9,857,640</b>
Depreciation and amortisation	1,341,439	3,300,297	37,949	93,569	42,839	-	4,816,093
Impairment and other losses	-	1,230	-	-	-	-	1,230
Share of results of associates and joint ventures	-	-	-	-	859,958	-	859,958
Total assets	99,199,897	111,346,832	5,500,177	4,148,911	30,354,310	(60,161,071)	190,389,056
Non-current assets *	59,448,714	83,710,601	876,220	2,248,635	28,016,777	(41,249,354)	133,051,593
Total liabilities	65,058,234	97,805,772	5,285,455	2,032,361	11,696,197	(52,610,188)	129,267,831
Investments in associates and joint ventures	-	-	-	-	19,336,928	-	19,336,928
<b>30 June 2024</b>							
<b>Revenue</b>							
External revenue	15,933,182	9,863,720	1,273,740	717,683	517,473	-	28,305,798
Inter-segment revenue	490,719	104,872	40,777	239,163	748,735	(1,624,266)	-
<b>Total revenue</b>	<b>16,423,901</b>	<b>9,968,592</b>	<b>1,314,517</b>	<b>956,846</b>	<b>1,266,208</b>	<b>(1,624,266)</b>	<b>28,305,798</b>
<b>Segment result</b>	<b>7,280,468</b>	<b>2,461,725</b>	<b>88,685</b>	<b>(433,363)</b>	<b>950,288</b>	<b>-</b>	<b>10,347,803</b>
Finance and other income							1,197,787
Finance and other costs							(3,267,128)
<b>Profit before federal royalty and corporate tax</b>							<b>8,278,462</b>
Federal royalty							(2,749,030)
Corporate tax expenses							(412,570)
<b>Profit for the year</b>							<b>5,116,862</b>
Depreciation and amortisation	1,227,887	2,117,526	30,227	72,765	38,794	-	3,487,199
Impairment and other losses	-	664	-	-	-	-	664
Share of results of associates and joint ventures	-	-	-	-	1,144,409	-	1,144,409
<b>31 December 2024</b>							
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.

## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 5. Operating expenses

	Note	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		AED'000	AED'000	AED'000	AED'000
Direct cost of sales		5,527,513	4,052,343	10,775,022	8,270,197
Staff costs		1,531,159	1,235,853	2,969,631	2,483,331
Depreciation		1,728,243	1,337,368	3,304,664	2,684,386
Network and other related costs		963,199	789,893	1,855,162	1,541,755
Amortisation		796,509	398,372	1,511,429	802,813
Regulatory expenses	(i)	416,232	337,717	808,995	723,316
Marketing expenses		337,447	263,221	660,880	534,962
Consultancy cost		300,314	215,818	548,234	451,135
Operating lease rentals		30,681	22,187	60,996	53,335
IT costs		169,286	149,765	331,840	273,342
Foreign exchange (gain) / loss		6,432	(9,122)	24,098	257,770
Other operating expenses		471,832	245,332	953,448	576,478
<b>Operating expenses</b>		<b>12,278,847</b>	<b>9,038,747</b>	<b>23,804,399</b>	<b>18,652,820</b>

#### 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 30 June 2025 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	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
Current corporate tax expenses	963,891	296,745	1,935,285	891,930
Deferred tax expense relating to origination and reversal of temporary differences	152,274	(367,738)	67,698	(479,360)
	<b>1,116,165</b>	<b>(70,993)</b>	<b>2,002,983</b>	<b>412,570</b>

Corporate tax includes UAE Corporate tax amounting to AED 654 million (2024: AED 410).

## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 7. Corporate tax (continued)

#### International Tax Reform - Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalisation of the global economy. The Group is in scope of such GloBE Rules as it operates in multiple jurisdictions and has an annual consolidated revenue which exceeds the prescribed threshold of Euro 750 million in at least two of the four preceding years.

As of 30 June 2025, GloBE Rules were already enacted in UAE, Bulgaria, Germany, Hungary, Netherlands, Slovakia, Singapore and the UK where the Group has subsidiaries. The Group has an ongoing assessment, including the Country-by-Country Transitional Safe Harbour, to identify any potential exposure to Pillar Two rules in these jurisdictions. The group is not expecting any additional top-up taxes in these jurisdictions, except for Bulgaria where a Top-up Tax have been recorded.

UAE, the jurisdiction where the Group has its Head Office and Its Ultimate Parent Company (UPC), has officially announced the implementation of a Domestic Minimum Top-up Tax (DMTT), effective 01 January 2025. The Group is closely monitoring the legislative developments and no top-up tax is expected in UAE, considering the federal royalty chargeable on the UAE profits and payable to UAE Government in addition to corporate tax.

### 8. Dividends

#### Amounts recognised as distribution to equity holders:

AED'000

#### Six months ended 30 June 2025

Final dividend for the year ended 31 December 2024 of AED 0.415 per share	3,607,592
	<b>3,607,592</b>

#### Six months ended 30 June 2024

Final dividend for the year ended 31 December 2023 of AED 0.40 per share	3,477,198
	<b>3,477,198</b>

### 9. Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
<b>Earnings (AED'000)</b>				
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	<b>3,472,343</b>	3,165,031	<b>8,827,166</b>	5,494,601
<b>Number of shares ('000)</b>				
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>8,696,754</b>	8,696,754	<b>8,696,754</b>	8,696,754
<b>Earnings per share</b>				
Basic and diluted	<b>AED 0.40</b>	AED 0.36	<b>AED 1.01</b>	AED 0.63

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 2025	31 December 2024
	AED'000	AED'000
<b>Opening balance</b>	<b>44,389,254</b>	<b>24,120,541</b>
Additions	1,635,613	1,984,859
Transfers from property, plant and equipment	580,019	814,214
Acquisition of subsidiaries	2,644,532	23,238,114
Disposals	(36,055)	(84,449)
Amortisation and impairment losses	(1,549,379)	(3,317,026)
Exchange difference	4,984,424	(2,366,999)
<b>Closing balance</b>	<b>52,648,408</b>	<b>44,389,254</b>



## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 11. Property, plant and equipment

	30 June 2025 AED'000	31 December 2024 AED'000
<b>Opening balance</b>	<b>43,421,531</b>	<b>39,335,942</b>
Additions	3,502,651	7,522,109
Transfers to intangible assets	(580,019)	(814,214)
Disposals	(128,865)	(140,400)
Depreciation	(2,856,842)	(4,695,775)
Impairment charge	(1,348)	(19,303)
Acquisition of subsidiaries	788,247	4,132,423
Exchange difference	2,055,811	(1,899,251)
<b>Closing balance</b>	<b>46,201,166</b>	<b>43,421,531</b>

### 12. Finance and other income

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

Finance and other income includes the impact of compensations received by Maroc Telecom as part of the settlement of disputes related to local loop unbundling.

### 13. Other investments

	30 June 2025 AED'000	31 December 2024 AED'000
Fair value through profit & loss	818,325	591,136
Fair value through other comprehensive income	1,785,008	3,085,265
Amortised cost	6,808,072	5,995,263
<b>Total other investments</b>	<b>9,411,405</b>	<b>9,671,664</b>
included in current assets	963,863	2,448,409
included in non-current assets	8,447,542	7,223,255

### 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 1,399 million (31 December 2024: AED 1,257 million), which are net of allowance for doubtful debts of AED 272 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.

## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 14. Related party transactions and balances (continued)

#### b) Associates and Joint ventures

	Associates		Joint Ventures	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
<b>Trading transactions for the six months ended 30 June</b>				
Telecommunication services – sales	341,180	223,525	-	-
Telecommunication services – purchases	103,306	125,103	-	-
Management and other services	25,165	38,683	2,030	2,475
<b>Due from related parties as at 30 June 2025 / 31 December 2024</b>	<b>77,432</b>	<b>111,966</b>	<b>7,783</b>	<b>7,799</b>
<b>Due to related parties as at 30 June 2025 / 31 December 2024</b>	<b>145,047</b>	<b>146,890</b>	<b>-</b>	<b>-</b>

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 2025 AED'000	31 December 2024 AED'000
Amount receivable for services rendered	13,832,545	11,863,801
Amounts due from other telecommunication operators/carriers	2,970,031	3,135,175
<b>Total gross carrying amount</b>	<b>16,802,576</b>	<b>14,998,976</b>
Lifetime expected credit loss	(3,959,916)	(3,467,584)
<b>Net trade receivables</b>	<b>12,842,660</b>	<b>11,531,392</b>
Prepayments	1,248,893	770,660
Accrued income	1,095,222	1,045,781
Advances	1,833,246	1,769,262
Indirect taxes receivable	294,731	265,954
Dividend receivable	381,998	338,553
Other receivables	2,412,030	2,056,065
<b>Net trade and other receivables</b>	<b>20,108,780</b>	<b>17,777,667</b>
<b>Total trade and other receivables</b>	<b>20,108,780</b>	<b>17,777,667</b>
of which current trade and other receivables	19,380,004	17,051,602
of which non-current other receivables	728,776	726,065

### 16. Cash and bank balances

	30 June 2025 AED'000	31 December 2024 AED'000
Maintained in UAE	18,684,696	17,274,665
Maintained overseas, unrestricted in use	11,747,322	16,058,905
Maintained overseas, restricted in use	430,042	294,662
<b>Cash and bank balances</b>	<b>30,862,060</b>	<b>33,628,232</b>
Less: Deposits with maturities exceeding three months from the date of deposit	(17,845,315)	(26,033,887)
<b>Cash and cash equivalents</b>	<b>13,016,745</b>	<b>7,594,345</b>

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.

## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 17. Trade and other payables

	30 June 2025 AED'000	31 December 2024 AED'000
<b>Current</b>		
Federal royalty	4,466,459	5,282,497
Trade payables	8,438,738	7,516,393
Amounts due from other telecommunication operators/carriers	2,622,312	2,589,929
Accruals	8,069,652	8,590,908
Other taxes payable	2,786,805	2,524,528
Advances from customers	341,359	335,858
Deferred income	233,884	233,371
Funds payable and amounts due to customers	2,601,423	2,713,298
Other payables and accruals	2,046,550	1,595,553
	<b>31,607,182</b>	<b>31,382,335</b>
<b>Non-current</b>		
Other payables	1,932,625	1,582,181
	<b>1,932,625</b>	<b>1,582,181</b>

### 18. Borrowings

	Carrying Amounts	
	30 June 2025 AED'000	31 December 2024 AED'000
<b>Bank borrowings</b>		
Short term bank borrowings	5,182,388	6,999,567
Bank loans	45,319,194	46,588,950
<b>Other borrowings</b>		
Bonds	13,999,017	14,736,149
Vendor financing	308,884	314,851
Others	7,933	13,185
	<b>64,817,416</b>	<b>68,652,702</b>
Advance from non-controlling interests	542,276	542,276
<b>Total borrowings</b>	<b>65,359,692</b>	<b>69,194,978</b>
of which due within 12 months	41,393,494	35,536,446
of which due after 12 months	23,966,198	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.

### 19. 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 is reported in the other comprehensive income is as follow:

	Six months ended 30 June	
	2025 AED'000	2024 AED'000
<b>Effective part directly recognized in other comprehensive (loss)/gain</b>		
Other comprehensive (loss)/income on net investment hedge	(970,100)	214,422
Other comprehensive loss on cash flow hedges	(5,105)	(18,323)
<b>Total effective part directly recognised in other comprehensive income</b>	<b>(975,205)</b>	<b>196,099</b>
	30 June 2025 AED'000	31 December 2024 AED'000
<b>Fair value of derivative financial instruments</b>		
Fair value of forward contracts and options	(718,409)	449,857
Fair value of derivative swaps	5,478	12,477
<b>Total derivative financial instruments</b>	<b>(712,931)</b>	<b>462,334</b>
included in current assets	2,799	5,612
included in non-current assets	-	456,722
included in current liabilities	(715,730)	-

## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 20. Share capital

	30 June 2025 AED'000	31 December 2024 AED'000
<b>Authorised:</b>		
10,000 million (2024: 10,000 million) ordinary shares of AED 1 each	10,000,000	10,000,000
<b>Issued and fully paid up:</b>		
8,696.8 million (2024: 8,696.8 million) ordinary shares of AED 1 each	8,696,754	8,696,754

### 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. Proceedings were ongoing before the Supreme Court.

On 10 July 2025, the Supreme Court has held that:

1. Only those employees who were Civil Servants in the former T&T Department are entitled to increases in pension as are admissible to Government Civil Servants
2. T&T employees who do not fall within the definition of Civil Servants are not entitled to any increase in pensionary benefits granted by government.
3. Employees categorized as Workmen or Workers under the relevant labour laws are not considered Civil Servants and are therefore not eligible for pensionary increases
4. Employees recruited after 01.01.1991 by the corporation are not entitled to increases at par with civil servants.
5. VSS optees are NOT entitled to any increases at par with civil servants.

In view of the Supreme Court's decision, PTCL is currently in the process of verifying pensioners' data. Once verified, the data will be shared with PTET to calculate the required contribution from PTCL.

## Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the six months period ended 30 June 2025

### 22. Capital Commitments

e& has approved future capital projects and investment commitments to the extent of AED 7,560 million (31 December 2024: AED 8,201 million). e& has issued letters of credit amounting to AED 732 million (31 December 2024: AED 574 million).

### 23. Fair value disclosures

e& has entered into cross currency swaps transaction to mitigate foreign exchange exposures. 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 2025 or 30 June 2024.

### 25. Acquisition of SBB

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 851 million (AED 3,539 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.

The acquisition accounting has been done on a provisional basis as at the date of the authorization of these interim condensed consolidated financial statements which may result in identification of certain intangible assets during the purchase price allocation exercise. As part of the consolidation, provisional goodwill of EUR 457 million (AED 1,971 million), customer relationship of EUR 153 million (AED 657 million) and fair value uplifts of EUR 67 million (AED 288 million) update has been recognised.