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**Emirates Telecommunications Group
Company PJSC**

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

Emirates Telecommunications Group Company PJSC

Review reports and interim condensed consolidated financial statements for the nine months period ended 30 September 2025

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Emirates Telecommunications Group Company PJSC

Management report on the interim condensed consolidated financial statement for the nine months period ended 30 September 2025

Financial Review

1. Revenue, profit and earnings per share

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

- i) Consolidated revenue amounted to AED 53,539 million, representing an increase of AED 10,810 million (25.3%) compared to the corresponding period in the prior year.
- ii) Profit attributable to the Owners of the Company amounted to AED 11,813 million, representing an increase of AED 3,356 million (39.7%) when compared to the corresponding period in the prior year.
- iii) Earnings per share increased by AED 0.39 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 7,529 million to AED 61,450 million as at 30 September 2025.

3. Capital expenditure

e& incurred AED 8,931 million capital expenditure in the nine months period ended 30 September 2025 (AED 5,257 million in the nine months period ended 30 September 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 an 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 September 2025 which comprise the interim condensed consolidated statement of financial position as at 30 September 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine 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

28 October 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 September		Nine months ended 30 September	
		2025	2024	2025	2024
	Note	AED'000	AED'000	AED'000	AED'000
Revenue	4	18,629,214	14,424,137	53,539,441	42,729,935
Operating expenses	5	(12,953,109)	(9,542,378)	(36,757,508)	(28,195,198)
Impairment loss on trade receivables and contract assets		(280,191)	(224,806)	(838,308)	(673,726)
Impairment loss on other assets and other losses		(726)	(394)	(1,956)	(1,058)
Share of results of associates and joint ventures		496,849	450,644	1,356,807	1,595,053
Operating profit		5,892,037	5,107,203	17,298,476	15,455,006
Finance and other income	12	505,879	561,053	7,528,943	1,758,840
Finance and other costs		(994,358)	(700,251)	(3,096,779)	(3,967,379)
Profit before federal royalty and corporate tax		5,403,558	4,968,005	21,730,640	13,246,467
Federal royalty	6	(1,426,132)	(1,276,010)	(5,892,591)	(4,025,040)
Corporate tax expenses	7	(651,996)	(591,546)	(2,654,979)	(1,004,116)
Profit for the period		3,325,430	3,100,449	13,183,070	8,217,311
Profit attributable to:					
Owners of the Company		2,986,262	2,962,633	11,813,428	8,457,234
Non-controlling interests		339,168	137,816	1,369,642	(239,923)
		3,325,430	3,100,449	13,183,070	8,217,311
Earnings per share					
Basic and diluted	9	AED 0.34	AED 0.34	AED 1.36	AED 0.97

The accompanying notes on pages 8 to 21 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 September		Nine months ended 30 September	
		2025	2024	2025	2024
		AED'000	AED'000	AED'000	AED'000
Profit for the period		3,325,430	3,100,449	13,183,070	8,217,311
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit obligation - net of tax		209,192	(22,888)	207,108	(9,685)
(Loss)/gain on revaluation of financial assets during the period		(36,337)	1,515	(54,660)	(387,627)
Share of other comprehensive income of associates and joint ventures - net of tax		180,082	14,636	115,249	52,211
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		1,103,302	501,007	3,611,693	(923,568)
Loss on net investment hedge during the period	19	(8,886)	(361,044)	(978,986)	(146,622)
Fair value loss arising on cash flow hedges during the period	19	(258)	(8,967)	(5,363)	(27,290)
Cash flow hedges reclassified to profit or loss	19	-	-	-	(25,912)
Share of other comprehensive income of associates and joint ventures - net of tax		(651,943)	(29,821)	(647,189)	253,661
Total other comprehensive income / (loss)		795,152	94,438	2,247,852	(1,214,832)
Total comprehensive income for the period		4,120,582	3,194,887	15,430,922	7,002,479
Total comprehensive income attributable to:					
Owners of the Company		3,573,225	2,928,544	13,210,032	7,608,342
Non-controlling interests		547,357	266,343	2,220,890	(605,863)
		4,120,582	3,194,887	15,430,922	7,002,479

The accompanying notes on pages 8 to 21 form an integral part of the interim condensed consolidated financial statements.

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of financial position

		(Unaudited) September	(Restated) 31 December
		2025	2024
	Notes	AED'000	AED'000
Non-current assets			
Goodwill and other intangible assets	10	52,432,726	43,728,088
Property, plant and equipment	11	47,992,883	44,510,998
Right-of-use assets		3,493,581	2,813,196
Investments in associates and joint ventures		20,266,065	22,428,244
Other investments	13	9,201,079	7,223,255
Trade and other receivables	15	708,655	726,065
Finance lease receivables		1,206,686	1,316,304
Derivative financial instruments	19	-	456,722
Contract assets		1,007,236	863,575
Deferred tax assets		508,106	492,388
		136,817,017	124,558,835
Current assets			
Inventories		1,116,411	1,200,048
Trade and other receivables	15	19,286,364	17,051,602
Current income tax assets		729,516	1,005,138
Finance lease receivables		160,394	169,047
Due from related parties	14	97,213	119,765
Contract assets		3,313,417	2,901,242
Other investments	13	1,045,530	2,448,409
Derivative financial instruments	19	1,332	5,612
Cash and bank balances	16	31,488,689	33,628,232
Assets held for sale		-	238,574
		57,238,866	58,767,669
Total assets		194,055,883	183,326,504
Non-current liabilities			
Trade and other payables	17	2,053,864	1,582,181
Borrowings	18	19,534,159	33,658,532
Payables related to investments and licenses		642,472	1,045,331
Conditional commitment to acquire NCI's share		9,233,758	8,092,091
Deferred tax liabilities		2,881,975	2,486,883
Lease liabilities		4,064,890	3,590,382
Provisions		640,216	600,351
Provision for employees' end of service benefits		1,400,500	1,342,162
Contract liabilities		118,771	104,091
		40,570,605	52,502,004
Current liabilities			
Trade and other payables	17	33,761,725	31,382,335
Contract liabilities		3,312,401	3,167,513
Borrowings	18	46,100,699	35,536,446
Payables related to investments and licenses		757,216	572,716
Current income tax liabilities		1,924,443	1,262,928
Lease liabilities		970,637	806,414
Provisions		4,185,434	3,886,633
Provision for employees' end of service benefits		131,986	142,293
Derivative financial instruments	19	767,773	-
Due to related parties	14	123,141	146,890
		92,035,455	76,904,168
Total liabilities		132,606,060	129,406,172
Equity			
Share capital	20	8,696,754	8,696,754
Reserves		26,881,627	25,247,007
Retained earnings		16,114,926	11,656,970
Equity attributable to the owners of the Company		51,693,307	45,600,731
Non-controlling interests		9,756,516	8,319,601
Total equity		61,449,823	53,920,332
Total liabilities and equity		194,055,883	183,326,504

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

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the nine months period ended 30 September 2025 (Unaudited)

	Notes	Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital	Reserves	Retained earnings	Owners' equity		
		AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2024, audited		8,696,754	17,364,905	16,596,235	42,657,894	9,052,604	51,710,498
Profit for the period		-	-	8,457,234	8,457,234	(239,923)	8,217,311
Other comprehensive loss for the period		-	(838,896)	(9,996)	(848,892)	(365,940)	(1,214,832)
Total comprehensive income for the period		-	(838,896)	8,447,238	7,608,342	(605,863)	7,002,479
Other movements in equity		-	-	4,912	4,912	39,490	44,402
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	-	-	(7,084,790)	(7,084,790)	(997,169)	(8,081,959)
Balance at 30 September 2024, unaudited		8,696,754	25,310,944	9,178,660	43,186,358	7,489,062	50,675,420
Balance at 1 January 2025, restated		8,696,754	25,247,007	11,656,970	45,600,731	8,319,601	53,920,332
Profit for the period		-	-	11,813,428	11,813,428	1,369,642	13,183,070
Other comprehensive income for the period		-	1,396,250	354	1,396,604	851,248	2,247,852
Total comprehensive income for the period		-	1,396,250	11,813,782	13,210,032	2,220,890	15,430,922
Other movements in equity		-	(2,135)	(13,681)	(15,816)	5,449	(10,367)
Non-controlling interest put option		-	304,214	-	304,214	(358,791)	(54,577)
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	(63,709)	63,709	-	-	-
<i>Transaction with owners of the Company:</i>							
Sale of interest to non-controlling interest		-	-	(60,275)	(60,275)	60,275	-
Capital contribution by non-controlling interest		-	-	-	-	82,951	82,951
Dividends	8	-	-	(7,345,579)	(7,345,579)	(573,859)	(7,919,438)
Balance at 30 September 2025, unaudited		8,696,754	26,881,627	16,114,926	51,693,307	9,756,516	61,449,823

The accompanying notes on pages 8 to 21 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 nine months ended 30 September	
		2025	2024
		AED'000	AED'000
Cash flows from operating activities			
Operating profit		17,298,476	15,455,006
<i>Adjustments for:</i>			
Depreciation		5,373,053	4,069,312
Amortisation		2,532,566	1,325,395
Impairment loss on other assets and other losses		1,956	1,058
Share of results of associates and joint ventures		(1,356,807)	(1,595,053)
Provisions and allowances		71,222	11,776
Unrealised currency translation loss		164,402	281,179
Operating cash flows before changes in working capital		24,084,868	19,548,673
<i>Changes in working capital:</i>			
Inventories		148,720	168,049
Due from associates and joint ventures		22,552	(30,790)
Trade and other receivables including contract assets		(1,866,710)	(1,527,725)
Trade and other payables including contract liabilities		542,521	589,821
Cash generated from operations		22,931,951	18,748,028
Income taxes paid		(1,697,043)	(1,142,727)
Payment of employees' end of service benefits		(66,216)	(30,570)
Payment of royalty fee		(5,274,439)	(6,327,991)
Net cash generated from operating activities		15,894,253	11,246,740
Cash flows from investing activities			
Acquisition of a subsidiary (net of cash)		(3,550,342)	(209,599)
Proceeds from disposal of investment in an associate		8,012,707	-
Investment in an associate		(27,544)	(1,388)
Acquisition of investment classified as fair value through OCI		(567,997)	(115,525)
Proceeds from disposal of investment classified as fair value through OCI		1,900,704	378,697
Acquisition of investment classified as fair value through profit or loss		(509,549)	(5,233)
Proceeds from disposal of investment classified as fair value through profit or loss		210,529	134,561
Acquisition of other investments		(71,460)	(177,654)
Acquisition of investments at amortised cost		(2,591,247)	(2,645,158)
Proceeds from disposal of investments at amortised cost		1,088,891	1,027,187
Purchase of property, plant and equipment		(4,962,148)	(4,498,239)
Proceeds from disposal of property, plant and equipment		230,463	88,182
Purchase of intangible assets		(3,660,765)	(758,726)
Proceeds from disposal of intangible assets		95,720	1,216
Dividend income received from associates and other investments		1,268,283	1,764,988
Net decrease in term deposits made with maturities over three months		1,594,793	5,363,168
Cash flows from unwinding of derivative financial instruments		-	25,912
Finance and other income received		2,574,145	1,733,070
Net cash generated from investing activities		1,035,183	2,105,459
Cash flows from financing activities			
Proceeds from borrowings		14,257,796	13,422,458
Repayments of borrowings		(21,043,353)	(10,744,777)
Payment of lease liabilities		(522,019)	(639,077)
Dividends paid		(7,878,137)	(8,054,819)
Finance and other costs paid		(2,388,708)	(4,816,474)
Net cash used in financing activities		(17,574,421)	(10,832,689)
Net (decrease)/increase in cash and cash equivalents		(644,985)	2,519,510
Cash and cash equivalents at the beginning of the period		7,594,345	10,172,586
Effect of exchange rate fluctuations on cash held		99,741	(424,761)
Cash and cash equivalents at the end of the period	16	7,049,101	12,267,335

The accompanying notes on pages 8 to 21 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 nine months period ended 30 September 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 nine months period ended 30 September 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 nine months ended 30 September 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 28 October 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 nine months period ended 30 September 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&:

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.

Emirates Telecommunications Group Company PJSC

Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 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.

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 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
30 September 2025							
Revenue							
External revenue	24,983,886	23,467,139	2,449,746	1,547,578	1,091,092	-	53,539,441
Inter-segment revenue	777,769	181,828	102,507	320,475	1,210,670	(2,593,249)	-
Total revenue	25,761,655	23,648,967	2,552,253	1,868,053	2,301,762	(2,593,249)	53,539,441
Segment result	11,123,469	5,374,622	98,850	(711,714)	1,413,249	-	17,298,476
Finance and other income							7,528,943
Finance and other costs							(3,096,779)
Profit before federal royalty and corporate tax							21,730,640
Federal royalty							(5,892,591)
Corporate tax expenses							(2,654,979)
Profit for the year							13,183,070
Depreciation and amortisation	2,108,489	5,427,255	64,606	144,311	63,848	-	7,808,509
Impairment and other losses	185	1,771	-	-	-	-	1,956
Share of results of associates and joint ventures	-	-	-	-	1,356,807	-	1,356,807
Total assets	98,540,010	113,499,067	4,205,351	4,138,785	30,928,181	(57,255,511)	194,055,883
Non-current assets *	59,557,311	85,462,688	826,913	2,269,747	28,550,133	(40,357,881)	136,308,911
Total liabilities	66,951,068	98,990,186	3,938,581	2,193,409	11,349,100	(50,816,284)	132,606,060
Investments in associates and joint ventures	-	-	-	-	20,266,065	-	20,266,065
30 September 2024							
Revenue							
External revenue	23,811,076	14,882,568	1,927,340	1,084,376	1,024,575	-	42,729,935
Inter-segment revenue	784,760	164,580	53,319	356,272	977,999	(2,336,930)	-
Total revenue	24,595,836	15,047,148	1,980,659	1,440,648	2,002,574	(2,336,930)	42,729,935
Segment result	10,833,651	3,726,716	113,754	(703,218)	1,484,103	-	15,455,006
Finance and other income							1,758,840
Finance and other costs							(3,967,379)
Profit before federal royalty and corporate tax							13,246,467
Federal royalty							(4,025,040)
Corporate tax expenses							(1,004,116)
Profit for the year							8,217,311
Depreciation and amortisation	1,880,009	3,180,637	47,718	157,295	58,521	-	5,324,180
Impairment and other losses	-	1,058	-	-	-	-	1,058
Share of results of associates and joint ventures	-	-	-	-	1,595,053	-	1,595,053
31 December 2024, restated							
Total assets	98,645,491	99,311,520	4,871,894	4,322,486	32,393,983	(56,218,870)	183,326,504
Non-current assets *	56,885,508	72,281,416	795,897	2,252,089	30,206,070	(38,811,255)	123,609,725
Total liabilities	72,827,723	88,989,340	4,660,585	1,823,551	11,328,535	(50,223,562)	129,406,172
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 nine months period ended 30 September 2025

5. Operating expenses

	Note	Three months ended 30 September		Nine months ended 30 September	
		2025	2024	2025	2024
		AED'000	AED'000	AED'000	AED'000
Direct cost of sales		5,710,470	4,295,323	16,485,492	12,565,520
Staff costs		1,495,246	1,273,040	4,464,877	3,756,371
Depreciation		2,042,185	1,384,926	5,346,849	4,069,312
Network and other related costs		988,887	786,694	2,844,049	2,328,449
Amortisation		950,231	452,055	2,461,660	1,254,868
Regulatory expenses	(i)	350,147	362,823	1,159,142	1,086,139
Marketing expenses		322,107	265,478	982,987	800,440
Consultancy cost		317,835	236,152	866,069	687,287
Operating lease rentals		31,159	28,100	92,155	81,435
IT costs		183,155	150,605	514,995	423,947
Foreign exchange (gain) / loss		(3,552)	(5,655)	20,546	252,115
Other operating expenses		565,239	312,837	1,518,687	889,315
Operating expenses		12,953,109	9,542,378	36,757,508	28,195,198

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 September 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 September		Nine months ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
Current corporate tax expenses	785,922	424,047	2,721,206	1,315,977
Deferred tax expense relating to origination and reversal of temporary differences	(133,926)	167,499	(66,227)	(311,861)
	651,996	591,546	2,654,979	1,004,116

Corporate tax includes UAE Corporate tax amounting to AED 866 million (2024: AED 598).

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 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 September 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
Nine months ended 30 September 2025	
Final dividend for the year ended 31 December 2024 of AED 0.415 per share	3,607,592
First interim dividend for the year ending 31 December 2025 of AED 0.43 per share	3,737,987
	7,345,579
Nine months ended 30 September 2024	
Final dividend for the year ended 31 December 2023 of AED 0.40 per share	3,477,198
First interim dividend for the year ending 31 December 2024 of AED 0.415 per share	3,607,592
	7,084,790

9. Earnings per share

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
Earnings (AED'000)				
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	2,986,262	2,962,633	11,813,428	8,457,234
Number of shares ('000)				
Weighted average number of ordinary shares for the purposes of basic earnings per share	8,696,754	8,696,754	8,696,754	8,696,754
Earnings per share				
Basic and diluted	AED 0.34	AED 0.34	AED 1.36	AED 0.97

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 September 2025	31 December 2024 (restated)
	AED'000	AED'000
Opening balance	43,728,088	24,120,541
Additions	2,603,786	1,984,859
Transfers from property, plant and equipment	1,057,024	814,214
Acquisition of subsidiaries	2,628,644	22,506,844
Disposals	(95,720)	(84,449)
Amortisation and impairment losses	(2,532,566)	(3,317,026)
Exchange difference	5,043,470	(2,296,895)
Closing balance	52,432,726	43,728,088

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 2025

11. Property, plant and equipment

	30 September 2025 AED'000	31 December 2024 (restated) AED'000
Opening balance	44,510,998	39,335,942
Additions	6,327,248	7,522,109
Transfers to intangible assets	(1,057,024)	(814,214)
Disposals	(225,231)	(140,400)
Depreciation	(4,672,498)	(4,695,775)
Impairment charge	(4,602)	(19,303)
Acquisition of subsidiaries	788,005	5,201,456
Exchange difference	2,325,987	(1,878,817)
Closing balance	47,992,883	44,510,998

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, corporate tax and related expenses 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 September 2025 AED'000	31 December 2024 AED'000
Fair value through profit & loss	910,747	591,136
Fair value through other comprehensive income	1,693,421	3,085,265
Amortised cost	7,642,441	5,995,263
Total other investments	10,246,609	9,671,664
included in current assets	1,045,530	2,448,409
included in non-current assets	9,201,079	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 1,373 million (31 December 2024: AED 1,257 million), which are net of allowance for doubtful debts of AED 260 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 nine months period ended 30 September 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
Trading transactions for the nine months ended 30 September				
Telecommunication services – sales	480,783	364,468	-	-
Telecommunication services – purchases	174,833	178,310	-	-
Management and other services	25,165	76,825	2,030	3,961
Due from related parties as at 30 September 2025 / 31 December 2024	89,290	111,966	7,923	7,799
Due to related parties as at 30 September 2025 / 31 December 2024	123,141	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.

15. Trade and other receivables

	30 September 2025 AED'000	31 December 2024 AED'000
Amount receivable for services rendered	13,630,914	11,863,801
Amounts due from other telecommunication operators/carriers	3,416,443	3,135,175
Total gross carrying amount	17,047,357	14,998,976
Lifetime expected credit loss	(4,123,825)	(3,467,584)
Net trade receivables	12,923,532	11,531,392
Prepayments	1,282,838	770,660
Accrued income	1,181,737	1,045,781
Advances	1,778,402	1,769,262
Indirect taxes receivable	300,316	265,954
Dividend receivable	-	338,553
Other receivables	2,528,194	2,056,065
Net trade and other receivables	19,995,019	17,777,667
Total trade and other receivables	19,995,019	17,777,667
of which current trade and other receivables	19,286,364	17,051,602
of which non-current other receivables	708,655	726,065

16. Cash and bank balances

	30 September 2025 AED'000	31 December 2024 AED'000
Maintained in UAE	18,154,314	17,274,665
Maintained overseas, unrestricted in use	12,791,136	16,058,905
Maintained overseas, restricted in use	543,239	294,662
Cash and bank balances	31,488,689	33,628,232
Less: Deposits with maturities exceeding three months from the date of deposit	(24,439,588)	(26,033,887)
Cash and cash equivalents	7,049,101	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.

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 2025

17. Trade and other payables

	30 September 2025 AED'000	31 December 2024 AED'000
Current		
Federal royalty	5,892,591	5,282,497
Trade payables	8,476,625	7,516,393
Amounts due to other telecommunication operators/carriers	3,001,800	2,589,929
Accruals	8,590,192	8,590,908
Other taxes payable	2,521,471	2,524,528
Advances from customers	329,502	335,858
Deferred income	280,834	233,371
Funds payable and amounts due to customers	2,797,237	2,713,298
Other payables and accruals	1,871,473	1,595,553
	33,761,725	31,382,335
Non-current		
Other payables	2,053,864	1,582,181
	2,053,864	1,582,181

18. Borrowings

	Carrying Amounts	
	30 September 2025 AED'000	31 December 2024 AED'000
Bank borrowings		
Short term bank borrowings	3,975,412	6,999,567
Bank loans	46,817,281	46,588,950
Other borrowings		
Bonds	13,984,658	14,736,149
Vendor financing	307,288	314,851
Others	7,943	13,185
	65,092,582	68,652,702
Advance from non-controlling interests	542,276	542,276
Total borrowings	65,634,858	69,194,978
of which due within 12 months	46,100,699	35,536,446
of which due after 12 months	19,534,159	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.

During the period, e& signed new Conventional and Islamic facilities agreements with local banks for a total amount of AED 9.5 billion with tenor of 2 years, which can be extended for 1 additional year. The proceeds from the new facilities have been fully utilised on 2 October 2025 to prepay the existing facilities.

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 2025

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:

	Nine months ended 30 September	
	2025	2024
	AED'000	AED'000
Effective part directly recognized in statement of comprehensive income		
Other comprehensive loss on net investment hedge	(978,986)	(146,622)
Other comprehensive loss on cash flow hedges	(5,363)	(27,290)
	(984,349)	(173,912)
	30 September	31 December
	2025	2024
	AED'000	AED'000
Fair value of derivative financial instruments		
Fair value of forward contracts and options	(768,902)	449,857
Fair value of derivative swaps	2,461	12,477
Total derivative financial instruments	(766,441)	462,334
included in current assets	1,332	5,612
included in non-current assets	-	456,722
included in current liabilities	(767,773)	-

20. Share capital

	30 September	31 December
	2025	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

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.

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 2025

21. Contingent liabilities (continued)

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.

It is worth noting that the aggrieved pensioners of the decision of the Supreme Court of 10 July 2025 (VSS, workmen and employees hired after 1.1.1991) have filed a review petition against the decision of the Supreme Court which has not been fixed for hearing yet.

To comply with the above order, PTCL engaged an independent legal advisor to determine such transferred employees who being civil servant at the time of their transfer are entitled to increase in pension and has recognized an amount of PKR 5.9 billion (AED 76 million), as past service cost in the consolidated statement of profit or loss, based on its best estimate of expenditure required to meet its obligation as determined by the Supreme Court. In this respect, PTCL had also engaged independent actuary to calculate additional pension.

Based on this exercise, adequate provision has been made, and based on legal advice, any potential adverse findings from the High Courts on the determination for some pensioners, of who amongst the retired T&T employees are actually civil servants and who fall within the category of workmen, are not expected to materially impact the consolidated financial statements.

22. Capital Commitments

e& has approved future capital projects and investment commitments to the extent of AED 6,859 million (31 December 2024: AED 8,201 million). e& has issued letters of credit amounting to AED 677 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 September 2025 or 30 September 2024.

25. Acquisition of subsidiaries

25.1 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 455 million (AED 1,896 million), customer relationship of EUR 147 million (AED 613 million) and fair value uplifts of EUR 48 million (AED 200 million) update has been recognised.

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 2025

25. Acquisition of subsidiaries (continued)

25.2 Acquisition of subsidiaries in 2024

a) On 29 August 2024, e& enterprise, a wholly owned subsidiary of e&, has completed the acquisition of 100% stake in GlassHouse, a Türkiye-based cloud services provider, for an amount of USD 57.8 million (AED 212 million).

b) On 24 October 2024, e& acquired controlling stake (50% +1 economic share) PPF Telecom Group B.V., is a limited liability company incorporated in the Netherlands ("e& PPF TG"), from PPF Group N.V. ("PPF Group"). e& PPF TG operates Yettel (Bulgaria, Hungary, and Serbia), O2 (Slovakia), and CETIN Group N.V. (Bulgaria, Hungary, Slovakia, and Serbia). Yettel and O2 serve consumers, corporations, and public sectors with mobile, broadband, TV, and data services. CETIN provides wholesale telecom infrastructure.

e& PPF TG owns 70% of CETIN Group N.V. with the remaining 30% owned by GIC Private Limited ("GIC"). GIC has a put option to sell to PPF TG its 30% stake, which is exercisable only under certain conditions. As such conditions are not outside of the control of e&, a gross liability for the potential obligation under the put option has not been recorded.

As part of the shareholder agreement between e& and PPF Group, the terms of the Preferred Shares in PPF TG held by the respective shareholders increase the total beneficial interest of e& in CETIN Group to the same interest as PPF TG holds in the Yettel Group.

The initial purchase consideration was EUR 2.38 billion (AED 9,416 million), with additional consideration due of up to EUR 350 million (AED 1,335 million) with regards earn-out payments to PPF Group if e& PPF Telecom exceeds certain financial targets within the three-year period after closing. The consideration is also subject to a claw back of up to EUR 75 million (AED 286 million) if such financial targets are not achieved.

Management has assessed the likelihood of the earn out thresholds being satisfied and accordingly has recorded an accrual of EUR 325 million (AED 1,296 million) being the discounted value of the expected future payments.

PPF Group holds a put option that can require e& Group to purchase all of PPF Group's PPF TG's shares (put option) in the event of the certain trigger events. The potential future obligation under this put option has been assessed to be EUR 2,022 million (AED 8,065 million) at the date of acquisition.

For the accounting of put option, e& Group follows partial recognition of non-controlling interest (NCI) approach, where the Group:

- determine the amount that would have been recognised for the NCI and continue to receive an allocation of NCI in profit or loss;
- reclassify the NCI as a put option liability at the end of the reporting period, as if the acquisition took place at that date; and
- recognise in the equity the difference between fair value of put option liability and NCI

The following table summarizes the amounts recognised for assets acquired and liabilities assumed as of the acquisition date based on the final purchase price allocation exercise.

	Glasshouse AED'000	e& PPF Telecom Group AED'000	Total AED'000
Intangible assets	78,108	7,602,494	7,680,602
Property, plant and equipment	26,536	5,174,918	5,201,454
Right-of-use assets	2,072	1,149,681	1,151,753
Other investments	-	584,189	584,189
Deferred tax assets	-	282,873	282,873
Trade and other receivables	6,937	237,775	244,712
Contract assets	60,651	1,267,475	1,328,126
Inventories	-	607,239	607,239
Bank and cash balances	2,621	717,155	719,776
Trade and other payables	(51,812)	(1,620,311)	(1,672,123)
Contract liabilities	(32,389)	(123,459)	(155,848)
Payables related to investments and licenses	-	(79,526)	(79,526)
Borrowings	(8,732)	(6,650,249)	(6,658,981)
Lease liabilities	(15,962)	(1,096,273)	(1,112,235)
Provisions	-	(292,839)	(292,839)
Deferred tax liabilities	(12,680)	(933,623)	(946,303)
Provision for employees' end of service benefits	-	(16,571)	(16,571)
Net identifiable assets acquired	55,350	6,810,948	6,866,298
Non-controlling interest at fair value	-	(10,697,758)	(10,697,758)
Goodwill recognised on the basis of fair valuation	156,870	14,669,371	14,826,241
Fair value of investment	212,220	10,782,561	10,994,781

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Notes to the interim condensed consolidated financial statements for the nine months period ended 30 September 2025

25. Acquisition of subsidiaries (continued)

25.2 Acquisition of subsidiaries in 2024 (continued)

Purchase consideration

Cash paid	212,220	9,416,268	9,628,488
Deferred and contingent consideration liability	-	1,366,293	1,366,293
Total consideration	212,220	10,782,561	10,994,781

Analysis of cash flows on acquisition

Cash paid	(212,220)	(9,416,268)	(9,628,488)
Net cash acquired with the subsidiaries	2,621	717,155	719,776
Net cash flow on acquisition of subsidiaries	(209,599)	(8,699,113)	(8,908,712)

26. Restatement of comparative figures

The below table summarizes the restatements made in the prior year numbers on account of final goodwill computation further to purchase price allocation exercise for subsidiaries acquired in 2024.

	As previously reported AED'000	Restatement AED'000	As restated AED'000
Goodwill and other intangible assets	44,389,254	(661,166)	43,728,088
Property, plant and equipment	43,421,531	1,089,467	44,510,998
Right-of-use assets	2,776,094	37,102	2,813,196
Deferred tax assets	581,282	(88,894)	492,388
Deferred tax liabilities	2,122,555	364,328	2,486,883
Lease liabilities	3,602,260	(11,878)	3,590,382
Reserves	25,128,915	118,092	25,247,007
Retained earnings	11,738,964	(81,994)	11,656,970
Non-controlling interests	8,331,640	(12,039)	8,319,601