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Translation from Arabic

Telecom Egypt Company
(An Egyptian Joint Stock Company)
Condensed Consolidated Interim Financial Statements
For The Six Months Ended June 30, 2026
And Limited Review Report

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Telecom Egypt Company
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Condensed Consolidated Interim Financial Statements
For The Six Months Ended June 30, 2026
And Limited Review Report

Index

KPMG

Hazem Hassan
Public Accountants & Consultants

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Limited Review Report on The Condensed Interim Consolidated Financial Statements
To The Board of Directors of Telecom Egypt Company

Introduction

We have performed a limited review on the accompanying June 30, 2026, condensed interim consolidated financial statements of Telecom Egypt Company "an Egyptian joint stock company" and its subsidiaries "the Group", which comprises:

- The condensed consolidated statement of financial position as of June 30, 2026;
- The condensed consolidated statements of profit or loss for the three months and six months periods ended June 30, 2026;
- The condensed consolidated statements of comprehensive income for the three months and six months periods ended June 30, 2026;
- The condensed consolidated statements of changes in equity for six months period ended June 30, 2026;
- The condensed consolidated statements of cash flows for six months period ended June 30, 2026;
- The notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements number (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian 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 on these condensed interim consolidated financial statements.

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Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2026 are not prepared, in all respects, in accordance with Egyptian Accounting Standard number (30) "Interim Financial Reporting"

Emphasis of Matter

Without qualifying our conclusion expressed above, we draw attention to the details disclosed in Note (36) to the condensed interim consolidated financial statements, which describes the partial fire that broke out in one of the equipment rooms at the Ramses Central building on July 7, 2025. This incident resulted in partial damage to certain fixed assets and a temporary interruption of some telecommunication services in some areas.

During 2025, the parent company's management recognized capital losses amounting to EGP 1 483 million and received EGP 200 million from the insurance company as an interim payment against the final compensation. As of the date of this report, official investigations are still ongoing, and the final report has not yet been issued; accordingly, the ultimate financial impact remains subject to the final results of these investigations.

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, August 13, 2026

KPMG Hazem Hassan
Public Accountants and Consultants
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Telecom Egypt Company

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Condensed Consolidated Statement of Financial Position as of:

	Note No.	30/6/2026 L.E. (000)	31/12/2025 Reclassified L.E. (000)
Assets			
Non Current Assets			
Fixed assets and projects under construction	(14)	122 873 752	119 828 621
Intangible assets (licenses and frequencies)		17 141 155	18 066 436
Usufruct assets	(15)	9 366 323	9 175 973
Right of use assets (lease contracts)	(16-1)	1 097 732	1 111 056
Investments in equity accounted investees	(17)	31 511 094	30 738 330
Financial assets at FVOCI		112 828	112 828
Debtors and other debit balances	(20)	80 208	85 273
Deferred tax assets	(28-3)	4 236 464	5 176 125
Non Current Assets		**186 419 556**	**184 294 642**
Current Assets			
Inventories	(18)	6 397 070	7 389 186
Trade and notes receivables	(19)	19 718 689	18 233 545
Debtors and other debit balances	(20)	7 960 979	7 794 388
Debit balances from associates	(32-1)	3 637 455	–
Financial assets at amortized cost (treasury bills)		–	2 584 576
Cash and cash equivalents	(21)	7 973 362	8 312 470
Assets held for sale	(22)	3 917 306	2 449 845
Current Assets		**49 604 861**	**46 764 010**
Total Assets		**236 024 417**	**231 058 652**
Equity			
Capital	(26)	17 070 716	17 070 716
Reserves	(27)	6 675 300	6 386 678
Retained earnings		48 144 538	38 489 540
Foreign entities translation reserve		1 741 504	1 700 113
Equity attributable to shareholders of the company		**73 632 058**	**63 647 047**
Non - controlling interest		**34 178**	**40 779**
Total Equity		**73 666 236**	**63 687 826**
Non Current Liabilities			
Loans and credit facilities	(23)	29 044 630	35 325 509
Creditors and other credit balances	(24)	31 157 280	32 120 540
Lease obligations	(16-2)	717 822	731 962
Deferred tax liabilities	(28-3)	6 892 345	7 046 114
Non Current Liabilities		**67 812 077**	**75 224 125**
Current Liabilities			
Short term Loans and credit facilities	(23)	42 463 030	38 433 287
Creditors and other credit balances	(24)	48 411 912	45 606 004
Lease obligations	(16-2)	606 979	615 555
Credit balances to associates	(32-1)	-	4 543 996
Accrued income tax	(28-5)	887 120	1 154 155
Provisions	(25)	2 177 063	1 793 704
Current Liabilities		**94 546 104**	**92 146 701**
Total Liabilities		**162 358 181**	**167 370 826**
Total Equity and Liabilities		**236 024 417**	**231 058 652**

The accompanying notes on pages (6) to (27) are an integral part of these Condensed Consolidated Interim Financial Statements.

Director of Financial Affairs	Chief Financial Officer	Managing Director & Chief Executive Officer
Ehab	Wael Hanafy	
"Ehab Abdo "	" Wael Hanafy "	"Tamer Elmandi"

Board of Directors approval

Chairman of The Board of Directors

"Lobna Hilal"

Limited Review Report "attached"

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Condensed Consolidated Statement of Profit or loss

	Note No.	For the six months ended: 30/6/2026 L.E.(000)	For the six months ended: 30/6/2025 Reclassified L.E.(000)	For the three months ended: 30/6/2026 L.E.(000)	For the three months ended: 30/6/2025 Reclassified L.E.(000)
Continued Operations					
Operating revenues	(3)	59 215 908	50 428 428	31 005 266	25 709 964
Operating costs	(4)	(33 730 381)	(29 450 437)	(17 715 300)	(15 180 993)
Gross Profit		**25 485 527**	**20 977 991**	**13 289 966**	**10 528 971**
Other incomes	(5)	670 661	443 224	289 185	249 072
Selling and distribution expenses	(6)	(3 299 084)	(2 979 891)	(1 700 379)	(1 513 725)
General and administrative expenses	(7)	(4 817 075)	(3 903 685)	(2 536 079)	(1 995 009)
Other expenses	(8)	(495 759)	(258 193)	(321 150)	(145 271)
Reverse / Expected credit (Loss)		38 172	(537 206)	(57 340)	(314 711)
Operating profit		**17 582 442**	**13 742 240**	**8 964 203**	**6 809 327**
Finance income		488 715	602 862	186 088	373 588
Finance cost		(7 338 667)	(7 275 260)	721 933	(3 023 411)
Net finance cost	(9)	**(6 849 952)**	**(6 672 398)**	**908 021**	**(2 649 823)**
Share of profit of equity accounted investees after tax	(10)	**9 105 076**	**6 731 521**	**5 374 124**	**3 544 325**
Net profit for the period before income tax		**19 837 566**	**13 801 363**	**15 246 348**	**7 703 829**
Income tax	(28-1)	**(4 563 391)**	**(3 380 580)**	**(3 479 064)**	**(1 890 267)**
Net profit for the period from continued operations		**15 274 175**	**10 420 783**	**11 767 284**	**5 813 562**
Discontinued Operations					
Net profit for the period after income tax from discontinued operations	(11-1)	**135 809**	**99 794**	**66 786**	**53 319**
Net profit for the period		**15 409 984**	**10 520 577**	**11 834 070**	**5 866 881**
Attribute to:					
Shareholders of the company					
Net profit for the period from continued operations		15 266 077	10 407 650	11 763 083	5 808 384
Net profit for the period from discontinued operations		135 809	99 794	66 786	53 319
Net profit for the period for shareholders of the company		15 401 886	10 507 444	11 829 869	5 861 703
Non-controlling interest					
Net profit for the period from continued operations		8 098	13 133	4 201	5 178
Net profit for the period from discontinued operations		-	-	-	-
Net profit for the period for non-controlling interest		8 098	13 133	4 201	5 178
Net profit for the period		**15 409 984**	**10 520 577**	**11 834 070**	**5 866 881**
Basic and diluted earning per share for the period from continued operations (L.E. / Share)		**8.94**	**6.10**	**6.89**	**3.40**
Basic and diluted earning per share for the period from discontinued operations (L.E. / Share)		**0.08**	**0.06**	**0.04**	**0.03**
Basic and diluted earning per share for the period (L.E. / Share)	(13)	**9.02**	**6.16**	**6.93**	**3.43**

The accompanying notes on pages (6) to (27) are an integral part of these Condensed Consolidated Interim Financial Statements.

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Condensed Consolidated Statement of Comprehensive Income

	Note No.	For the six months ended : 30/6/2026 L.E.(000)	For the six months ended : 30/6/2025 L.E.(000)	For the three months ended : 30/6/2026 L.E.(000)	For the three months ended : 30/6/2025 L.E.(000)
Net profit for the period after income tax		**15 409 984**	**10 520 577**	**11 834 070**	**5 866 881**
Other Comprehensive Income items :					
Translation differences of foreign entities		41 391	91 467	(247 180)	58 914
Income Tax on Translation difference of foreign currency balances	(28-2)	-	-	-	-
Total Comprehensive Income		**15 451 375**	**10 612 044**	**11 586 890**	**5 925 795**
Attributable to :					
Shareholders of the company		15 443 277	10 598 911	11 582 689	5 920 617
Non-controlling interest		8 098	13 133	4 201	5 178
Total Comprehensive Income		**15 451 375**	**10 612 044**	**11 586 890**	**5 925 795**

The accompanying notes on pages (6) to (27) are an integral part of these Condensed Consolidated Interim Financial Statements.

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Telecom Egypt Company
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Condensed Consolidated Statement of Changes in Equity
For The Six Months Ended june 30, 2026

	Capital	Legal reserve	Other reserves	Retained earnings	Foreign entities translation reserve	Total of equity attributable to shareholders of the company	Non-controlling interest	Total
	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)	L.E.(000)
Balance as of January 1,2025	17 070 716	3 392 548	2 855 145	20 889 691	1 706 212	45 914 312	23 679	45 937 991
Comprehensive Income								
Net profit for the period	-	-	-	10 507 444	-	10 507 444	13 133	10 520 577
Translation differences of foreign entities	-	-	-	-	91 467	91 467	-	91 467
Total Comprehensive Income	-	-	-	10 507 444	91 467	10 598 911	13 133	10 612 044
Transferred to legal reserve	-	144 912	-	(144 912)	-	-	-	-
Transactions with shareholders								
Dividends for period 2024 (shareholders)	-	-	-	(2 560 607)	-	(2 560 607)	(5 614)	(2 566 221)
Dividends for period 2024 (Employees & Board of Directors)	-	-	-	(1 929 571)	-	(1 929 571)	(718)	(1 930 289)
Dividends in associates (Employees & Board of Directors)	-	-	-	(274 524)	-	(274 524)	-	(274 524)
Impact of merge effect of companies within the group	-	-	-	(35 308)	-	(35 308)	-	(35 308)
Total transactions with shareholders	-	-	-	(4 800 010)	-	(4 800 010)	(6 332)	(4 806 342)
Balance as of June 30,2025	17 070 716	3 537 460	2 855 145	26 452 213	1 797 679	51 713 213	30 480	51 743 693
Balance as of January 1,2026	17 070 716	3 537 460	2 849 218	38 489 540	1 700 113	63 647 047	40 779	63 687 826
Comprehensive Income								
Net profit for the period	-	-	-	15 401 886	-	15 401 886	8 098	15 409 984
Translation differences of foreign entities	-	-	-	-	41 391	41 391	-	41 391
Total Comprehensive Income	-	-	-	15 401 886	41 391	15 443 277	8 098	15 451 375
Transferred to legal reserve	-	288 622	-	(288 622)	-	-	-	-
Transactions with shareholders:								
Dividends for period 2025 (shareholders)	-	-	-	(2 560 607)	-	(2 560 607)	(12 205)	(2 572 812)
Dividends for period 2025 (Employees & Board of Directors)	-	-	-	(2 181 567)	-	(2 181 567)	(2 494)	(2 184 061)
Dividends in associates (Employees & Board of Directors)	-	-	-	(716 092)	-	(716 092)	-	(716 092)
Total transactions with shareholders	-	-	-	(5 458 266)	-	(5 458 266)	(14 699)	(5 472 965)
Balance as of June 30, 2026	17 070 716	3 826 082	2 849 218	48 144 538	1 741 504	73 632 058	34 178	73 666 236

The accompanying notes on page from (6) to (27) are an integral part of these Condensed Consolidated Interim Financial Statements.

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Condensed Consolidated Statement of Cash Flows

	Note No.	For the six months ended: 30/6/2026 L.E. (000)	30/6/2025 L.E. (000)
Cash flows from operating activities:-			
Cash receipts from customers and notes receivables		62 570 767	53 101 388
Stamp tax and fees collected (from third parties)		–	58 991
Deposits collected from customers		–	38 147
Cash paid to suppliers		(11 532 069)	(13 373 502)
Cash paid for NTRA		(8 462 959)	(3 228 933)
Cash paid to Board of Directors		(58 297)	(54 400)
Cash paid to employees		(8 192 150)	(7 267 737)
Cash paid on behalf of employees to third party		(1 055 863)	(989 874)
Payments to Tax Authority - taxes other than income tax		(4 417 845)	(3 858 828)
Other proceeds		553 219	44 036
Cash provided by operating activities		**29 404 803**	**24 469 288**
Interest paid		(4 525 632)	(6 871 094)
Payments to Tax Authority - income tax		(2 839 018)	(794 973)
Net cash provided by operating activities		**22 040 153**	**16 803 221**
Cash flows from investing activities:-			
Payments for purchase of fixed assets and projects under construction		(17 757 146)	(13 198 941)
Payments for purchase of intangible assets		(796 149)	(1 181 068)
Proceeds form sale of fixed assets		1 807	533
Credit interest received		175 807	187 680
Dividends collected from investments		50 969	1 823
Proceeds from financial assets at amortized cost - treasury bills		2 804 831	114 740
Net cash used in investing activities		**(15 519 881)**	**(14 075 233)**
Cash flows from financing activities:-			
Payments for loans		(7 344 388)	(7 416 121)
Proceeds from loans		–	19 534 500
Net proceeds / (payments) for credit facilities		3 270 562	(10 901 300)
Payments of lease obligations	(16-2)	(400 299)	(267 315)
Payments of dividends to Shareholders		(2 560 607)	(2 560 607)
Payments of dividends to non-controlling interest		–	(5 614)
Net cash used in financing activities		**(7 034 732)**	**(1 616 457)**
Net change in cash and cash equivalents during the period		**(514 460)**	**1 111 531**
Translation differences of foreign entities		(16 707)	3 610
Cash and cash equivalents at the beginning of the period	(21)	7 684 542	7 565 330
Cash and cash equivalents at the end of the period	(21)	**7 153 375**	**8 680 471**

The accompanying notes on pages from (6) to (27) are an integral part of these Condensed Consolidated Interim Financial statements.

Telecom Egypt Company
(An Egyptian Joint Stock Company)

Notes to the Condensed Consolidated Interim Financial Statements
For The Six Months Ended June 30, 2026

1. BACKGROUND

1-1 Legal Entity

- Arab Republic of Egypt National Telecommunication Organization (ARENTO) was established according to Law No.153 of 1980. Effective from March 27, 1998 and according to law No.19 of 1998, the legal form of (ARENTO) was amended after the revaluation of its assets on March 26, 1998 to become "Telecom Egypt Company" (TE).
- Telecom Egypt Company (the "Company") is an Egyptian Joint Stock Company registered in the Arab Republic of Egypt and is engaged in the provision of public communications and associated products and services.
- The company is subject to the provisions of the Companies Law No. 159 of 1981 and Capital Market law No. 95 of 1992.
- The address of the company is 26 Ramses Street, Cairo, Egypt.
- 70% is owned by the Egyptian government, 30% of the company's nominal shares are traded on the Egyptian Stock Exchange, while GDRs are traded on the London Stock Exchange, each consisting of five ordinary shares.

1-2 Purpose of the company

The main purpose of the company represents in the following:

- Owning, setting up, operating, maintenance and development of telecommunication networks and infrastructure necessary for communication services for using and / or managing and / or leasing to others and / or dealing on them.
- Providing voice, video and data transmission telecommunication services to subscribers and / or managing and / or leasing to others and / or dealing on them.
- Participating or contributing to global communication systems, such as: - submarine cables and satellites and obtaining capacities or circuits for using and / or managing and / or leasing to others and / or dealing on them.
- Dealing or contracting or Participating with authorities, agencies, companies, organizations or any entity exercising an activity similar to or identical to the company's activities or relates or assists the company to achieve its purposes either in Arab Republic of Egypt or abroad.
- Managing, selling, leasing, purchasing, possessing, renting and dealing on any property and rights or benefit or right in any property. Including the movable and immovable property which could be acquired or owned by the company.
- Selling, purchasing and distributing of fixed line sets , mobile phones and computers, its peripherals, accessories and supplies, complementary devices and necessary spare parts and related maintenance works.
- Setting up voice, video and written data transmission networks and providing value-added services, content services, marketing, electronic signature and online money transfer.
- Investment properties for serving its purposes and executing its projects.

1-3 Issuance of Condensed Consolidated Interim Financial Statements

These Condensed Consolidated Interim Financial Statements were approved by the company's Board of Directors for issuance on August 12, 2026.

2. BASIS OF PREPERATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance

-These Condensed consolidated Interim Financial Statements as of June 30, 2026 have been prepared according to Egyptian Accounting Standard No.30 requirements "Interim Financial Reporting" and in the light of applicable laws and regulations accordingly it was prepared as a condensed consolidated Interim Financial Statements comparative view to the annual consolidated financial statements for the company for the financial year ended December 31, 2025 and this statements must be read with the financial statements for the company on the financial year in December 31, 2025.

-These Condensed consolidated Interim Financial Statements don't include all the required information needed for preparing the full annual financial statements according to Egyptian Accounting Standard however It may include selected disclosures to explain important events and transactions to understand the change in the company's financial position and performance since the last annual financial statements.

2-2 Basis of measurement

- These Condensed Consolidated Interim Financial Statements have been prepared according to the historical cost basis, except for:
  - (A) Financial instruments that are recorded at fair value through profit or loss.
  - (B) Financial instruments that are recorded at fair value through other comprehensive income.
  - (C) Financial instruments that are recorded at amortized cost.
- For presentational purposes, the current and non-current classification has been used for the condensed consolidated interim statement of Financial Position, while expenses are analysed in condensed consolidated statement of profit or loss using a classification based on their function. The direct method has been used in preparing the condensed consolidated interim statement of cash flows.
- The financial statements have been prepared on a going concern basis.

2-3 Functional and presentation currency

These Condensed Consolidated Interim Financial Statements are presented in Egyptian pound (L.E.), all financial information presented in "L.E." has been rounded to the nearest thousand unless otherwise stated.

2-4 Use of estimates and judgments

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of these assumptions represent the judgmental basis for the value of assets and liabilities that may not apparently available from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed ongoing basis. Accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements is included in the following notes:

- Impairment of non-financial assets.
- Deferred tax assets and liabilities.
- Measuring Expected credit losses.
- Provisions and contingencies.
- Operational useful life of fixed and other assets.
- Estimate the net realizable value of the inventory.

2-5 Fair value measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the condensed consolidated interim financial statements without deducting any estimated future selling costs. The financial assets values are determined by the current purchase prices; however, the financial liabilities values are determined by the current prices that could settle these liabilities.
- In case there is no active market to determine the fair value of the financial instruments, the fair value is estimated using different valuation techniques taking into consideration the prices of the latest transactions and use the current fair value of the similar financial instruments as guideline – the discounted cash flows technique or any other valuation methods that results reliable values.

- When the discounted cash flows is used as a valuation technique, the future cash flow are estimated based on the management best estimate. The discount rate used is determined in line with the market rate at the date of the financial statements for the similar financial instruments in nature and conditions.

2-6 *Segment reporting*

Operating activities related to the group is managed by operating segments at the group activates level as an integrated activity, based on the nature of product and the service provided. The segment reporting is prepared according to services provided by activities as a group as follows:

- Communications, marine cables and infrastructure services.
- Internet services.
- Outsourcing services.
- Other activities

2-7 *Significant accounting policies*

The accounting policies applied in the preparation of the condensed consolidated interim financial statements as of June 30, 2026 are the same as the accounting policies applied in the preparation of the annual consolidated financial statements as of December 31, 2025.and approved in February 26, 2026 These policies have been followed over all periods presented in these condensed consolidated interim financial statements as of June 30, 2026.

3- OPERATING REVENUES

By business units

	For the six months ended :		For the three months ended :	
	30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Home and personal communications	30 731 161	24 700 018	16 336 503	12 843 033
Enterprise	5 455 960	4 722 796	2 705 676	2 350 304
Domestic wholesale	6 050 257	5 043 798	2 899 732	2 343 736
International carrier	11 729 185	9 301 100	6 214 800	4 852 003
International cables and networks	5 249 345	6 660 716	2 848 555	3 320 888
	59 215 908	**50 428 428**	**31 005 266**	**25 709 964**

3-1 By timing of recognition

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Goods and services transferred over time	36 940 678	30 684 182	19 354 117	15 835 623
Goods and services transferred at a point in time	22 275 230	19 744 246	11 651 149	9 874 341
	59 215 908	**50 428 428**	**31 005 266**	**25 709 964**

3-2 By geographical location

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Local - within Egypt	42 237 378	34 466 612	21 941 911	17 537 073
Foreign - outside Egypt	16 978 530	15 961 816	9 063 355	8 172 891
	59 215 908	**50 428 428**	**31 005 266**	**25 709 964**

3-3 Contract balances

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Trade receivables	19 384 347	17 911 716
Notes receivable	334 342	321 829
Total contract receivables	**19 718 689**	**18 233 545**
Advances from customers	2 244 081	2 019 724
Contract liabilities deferred income	12 459 944	6 724 899
Total contract liabilities	**14 704 025**	**8 744 623**
Contract Balances	**5 014 664**	**9 488 922**

Total operating revenues increased by an amount of L.E. 8 787 480 K mainly due to the increase in revenues of home and personal communications by an amount of L.E. 6 031 143 K due to the increase in revenues resulting from fixed line and rendering mobile phone services and internet services, international carrier by an amount of L.E. 2 428 085 K, Domestic wholesale revenues by an amount of L.E. 1 006 459 K and Enterprise revenues by an amount of L.E. 733 164 K, however the decrease in international cables and networks revenues by an amount of L.E. 1 411 371 K, led to the limitation of this increase.

* Reclassification was made to comparative figure as shown in note No.35

4- OPERATING COSTS

	For the six months ended :		For the three months ended :	
	30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Call cost	9 404 180	7 962 246	5 023 839	4 216 537
Depreciation and amortization	8 885 920	7 734 167	4 663 346	4 077 533
Salaries and wages	3 629 922	3 250 553	1 743 441	1 625 778
Company's social insurance contribution	310 185	278 827	154 038	137 928
Organizations services cost	2 839 398	2 698 143	1 409 453	1 401 660
Right of use (IRU) outside Egypt - leased circuits	909 165	943 417	484 536	446 172
Cost of merchandise available for sale	1 171 075	1 032 308	635 300	329 196
Fuel	803 358	814 847	451 064	449 473
Maintenance	691 770	691 230	368 956	397 952
Frequencies and licenses charges (NTRA)	3 115 421	2 540 001	1 626 238	1 296 832
Other operating cost	1 969 987	1 504 698	1 155 089	801 932
	33 730 381	**29 450 437**	**17 715 300**	**15 180 993**

Operating costs have increased by an amount of L.E. 4 279 944 K mainly due to the following: -

- The increase in Call cost by an amount of L.E. 1 441 934 K which is mainly due to the increase in cost of international connection fees by an amount of L.E. 1 171 745 K.
- The increase of the depreciation and amortization item by an amount of L.E 1 151 754 K due to the additions of the first half and the current period.
- The increase in Salaries and wages item by an amount of L.E. 379 369 K because of the annual increases during the period.
- The increase in frequencies and licenses charges (National Telecom Regulatory Authority) by an amount of L.E. 575 420 K and organizations services cost item by an amount of L.E. 141 255 K.

* Reclassification was made to comparative figure as shown in note No.35

5- OTHER INCOMES

	For the six months ended :		For the three months ended :	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Fines and earned delay interest	122 307	30 014	91 813	20 008
Non operating asset revenues	34 430	6 564	8 723	3 064
Sundry revenues	513 924	406 646	188 649	226 000
	670 661	**443 224**	**289 185**	**249 072**

The increase in other incomes by an amount of L.E 227 437 K is mainly due to the increase in Fines and earned delay interest by an amount of L.E 92 293 K, sundry revenues item by an amount of L.E 107 278 K

6- SELLING AND DISTRIBUTING EXPENSES

	For the six months ended :		For the three months ended :	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Salaries and wages	1 614 443	1454 944	800 962	749 748
Company's social insurance contribution	123 603	114 324	61 407	56 181
Advertising and marketing	688 582	692 413	363 835	321 017
Agents commissions and collection contracts	579 077	518 695	299 435	266 659
Depreciation and amortization	45 776	48 768	22 298	23 449
Other selling and distributing expenses	247 603	150 747	152 442	96 671
	3 299 084	**2 979 891**	**1 700 379**	**1 513 725**

The increase in selling and distribution expenses by an amount of L.E 319 193 K is mainly due to the increase in Salaries and wages item by an amount of L.E 159 499 K which is mainly due to the annual increases during the period and agents' commissions and collection organizations by an amount of L.E. 60 382 K.

7- GENERAL AND ADMINISTRATIVE EXPENSES

	Note No	For the six months ended :		For the three months ended :	
		30/6/2026	30/6/2025 Reclassified	30/6/2026	30/6/2025 Reclassified
		L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Salaries and wages		2 989 067	2 321 490	1 556 084	1 169 545
Company's social insurance contribution		184 676	160 646	92 387	79 342
The company's contribution in loyalty and belonging fund	(12)	125 000	125 000	62 500	60 000
Depreciation and amortization		135 433	94 838	75 571	48 226
Organization services cost and consultants		582 381	453 698	284 100	311 663
Tax and duties		109 986	112 359	63 939	57 473
Other general and administration expenses		690 532	635 654	401 498	268 760
		4 817 075	**3 903 685**	**2 536 079**	**1 995 009**

The increase in general and administrative expenses by an amount of L.E. 913 390 K is mainly due to the increase in Salaries and wages item by an amount of L.E 667 577 K mainly due to the annual increases during the period and organization's services costs and consultants item by an amount of L.E. 128 683 K.

* Reclassification was made to comparative figure as shown in note No.35

8- OTHER EXPENSES

	For the six months ended :		For the three months ended :	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Provisions	392 371	180 774	315 423	125 788
Capital losses	7 890	10 929	2 254	8 945
Donations	95 498	66 490	3 473	10 538
	495 759	**258 193**	**321 150**	**145 271**

The increase in other expenses by an amount of L.E. 237 566 K is mainly due to the increase in Provisions item by an amount of L.E. 211 597 K, and Donations item by an amount of L.E 29 008 K.

9- NET FINANCE COST

The increase in net finance costs by an amount of L.E 177 554 K during the period is mainly due to the decrease in the debit interest by an amount of L.E. 1 892 116 K, However the increase of net loss of foreign currencies during the period by an amount of L.E. 2 165 063 K due to the exchange rate fluctuations during 2026 led to the limitation of this increase.

10- SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES

	For the six months ended :		For the three months ended :	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Vodafone Egypt telecomunications company	9 080 839	6 690 624	5 357 983	3 519 445
Egypt trust	21 536	35 537	13 440	24 880
New matrix for technology	2 701	5 360	2 701	-
	9 105 076	**6 731 521**	**5 374 124**	**3 544 325**

Represented in the group's share of profits of the investee companies according to the equity method.

11- DISCONTINUED OPERATIONS

On September 3, 2025, the Company's Board of Directors decided to partially dispose of its Regional Data Center (RDH) by transferring the relevant assets to a subsidiary of the Data Center (RDH) as part of the group's restructuring, to achieve this purpose the condensed consolidated interim statement of profit or loss has been restated to present discontinued operations separately as follows:-

11-1 Results of discontinued operations

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Revenues	198 376	160 455	98 688	80 942
Expenses	(23 139)	(31 689)	(12 513)	(12 144)
Net profit for the period before income tax from discontinued operations	175 237	128 766	86 175	68 798
Income tax	(39 428)	(28 972)	(19 389)	(15 479)
Net profit for the period after income tax from discontinued operations	**135 809**	**99 794**	**66 786**	**53 319**

11-2 Cash flows from discontinued operations

	For the six months ended:	
	30/6/2026	30/6/2025
	L.E. (000)	L.E. (000)
Net cash provided by operating activities	152 241	137 996
Net cash used in investing activities	(995 322)	(135 776)
Cash and cash equivalents at the end of the period	**(843 081)**	**2 220**

12- EMPLOYEES' BENEFITS (Parent company)

End of service benefits (Company's Contribution in Loyalty & Belonging Fund)

- The employees are granted an end of service benefits through a Loyalty & belonging Fund established in January 2004 which is based on the employees' basic monthly salary in the company.
- The employees share in loyalty & belonging fund according to constant subscription are based on the same employees' basic salary where the end of service benefit calculated. The company's share represents annual defined contribution by adecision of the Board of Directors and the company had contributed by an amount of L.E. 125 M for the period ended in June 30, 2026 (against an amount of L.E.125 M for the same period of 2025) Note No.7.

13- BASIC AND DILUTED EARNING PER SHARE FOR THE PERIOD:

- The earning per share for the period are calculated as follows:

	For the six months ended:		For the three months ended:	
	30/6/2026	30/6/2025	30/6/2026	30/6/2025
Share holder of the company :				
Net profit for the period from continued operations (LE in thousand)	15 266 077	10 407 650	11 763 083	5 808 384
Net profit for the period from discontinued operations (LE in thousand)	135 809	99 794	66 786	53 319
Net profit for the period (LE in thousand)	**15 401 886**	**10 507 444**	**11 829 869**	**5 861 703**
Weighted average for number of shares available during the period (share)	1 707 071 600	1 707 071 600	1 707 071 600	1 707 071 600
Basic and diluted earning per share for the period from continued operations (L.E / Share)	8.94	6.10	6.89	3.40
Basic and diluted earning per share for the period from discontinued operations (L.E / Share)	0.08	0.06	0.04	0.03
Basic and diluted earning per share for the period (L.E / Share)	**9.02**	**6.16**	**6.93**	**3.43**

14- FIXED ASSETS AND PROJECTS UNDER CONSTRUCTION

Description	30/6/2026 Cost L.E.(000)	30/6/2025 Cost L.E.(000)	30/6/2026 Accumulated depreciation and impairment L.E.(000)	30/6/2025 Accumulated depreciation and impairment L.E.(000)	30/6/2026 Net L.E.(000)	30/6/2025 Net L.E.(000)	31/12/2025 Net L.E.(000)
Land	2 453 820	2 410 321	-	-	2 453 820	2 410 321	2 409 900
Buildings & Infrastructure	82 944 106	69 469 611	31 022 171	27 987 283	51 921 935	41 482 328	48 894 074
Centrals & information technologies equipment	86 618 092	74 879 920	42 627 157	36 143 621	43 990 935	38 736 299	42 776 078
Vehicles	660 271	559 382	252 223	205 859	408 048	353 523	433 047
Furniture	1 688 468	1 630 554	1 178 863	1 072 730	509 605	557 824	485 135
Tools & supplies	393 054	342 353	254 327	232 197	138 727	110 156	131 849
Decoration & fixtures	280 131	281 170	234 035	226 192	46 096	54 978	49 031
Projects under construction	23 845 438	22 466 930	440 852	-	23 404 586	22 466 930	24 649 507
Total	**198 883 380**	**172 040 241**	**76 009 628**	**65 867 882**	**122 873 752**	**106 172 359**	**119 828 621**

- The increase in net carrying value of fixed assets and projects under construction mainly due to the additions during the period by an amount of L.E. 10 969 207 K, however the depreciation of the period by an amount of L.E. 7 630 498 K led to limitation of this increase.
- The cost of fixed assets as of June 30, 2026, includes an amount of L.E. 22 466 million fully depreciated fixed assets and still in use. (Against an amount of L.E. 18 531 million for the same period of 2025).

15- USUFRUCT ASSETS

	3063/2026 L.E. (000)	31/12/2025 L.E. (000)
Cost		
Usufruct (projects)	3 159 501	3 158 479
Submarine cables (rights of way)	5 075 040	5 011 963
Land (possession-usufruct)	624 974	624 974
Licenses and programs	1 647	1 647
International circuits (right of use)	846 302	832 697
Projects under construction	2 853 331	2 451 273
	12 560 795	**12 081 033**
Less:		
Accumulated amortization	3 194 472	2 905 060
Net carrying amount of usufruct assets	**9 366 323**	**9 175 973**

- The increase in net carrying value of usufruct assets by an amount of L.E 190 350 K mainly due to the additions during the period by an amount of L.E 402 058K, However the amortization of the period by an amount of L.E 214 438 K led to the limitiation of this increase.

- Usufruct assets cost includes at June 30, 2026 an amount of L.E 398 Million (against an amount of L.E. 377 Million for the same period of 2025) usufruct assets fully amortized and still in use in operating.

16- RIGHT OF USE ASSETS AND LIABILITIES (LEASE CONTRACTS)

16-1 Right of use assets (lease contracts)

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Cost at beginning balance	3 201 698	2 992 107
Additions during the period / year	232 262	263 828
Disposals during the period / year	(6 854)	(79 240)
Translation differences of Foreign entities	3 938	25 003
Cost at ending balance	**3 431 044**	**3 201 698**
Accumulated amortization at beginning balance	2 090 642	1 657 404
Amortization for the period / year	245 927	445 007
Disposals during the period / year	(3 380)	(26 782)
Foreign entities translation differences	123	15 013
Accumulated amortization at ending balance	**2 333 312**	**2 090 642**
Net carrying amount for right of use assets	**1 097 732**	**1 111 056**

16-2 Lease Obligations

The Present Value of the total Obligations from the ROU as follow:

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Beginning balance of Present value for lease Obligations	1 347 517	1 589 571
Additions	232 262	263 828
Disposals	-	(54 504)
Payments	(400 299)	(672 514)
Translation difference of foreign currency balances	18 883	(17 720)
Interest	107 761	219 914
Translation differences of Foreign entities	18 677	18 942
Net present value for lease obligations resulting from lease contracts	**1 324 801**	**1 347 517**

Classified as:

Current Lease obligations	**606 979**	**615 555**
Non Current Lease obligations	**717 822**	**731 962**

17- INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	30/6/2026		31/12/2025	
	Ownership %	Amount L.E. (000)	Ownership %	Amount L.E. (000)
- Vodafone Egypt Telecommunication company *	44.95	31 416 600	44.95	30 662 412
- Egypt Trust	35.71	83 976	35.71	62 440
- New matrix for technology	25.50	10 518	25.50	13 478
		31 511 094		**30 738 330**

- Shares of investments in equity accounted investees are accounted for using the equity method, so that the initial recognition is made at cost, including the costs associated with the acquisition, and the subsequent measurement in the consolidated financial statements is made by increasing or decreasing the book value of the investment by the group's share of profits or losses and other comprehensive income items in the investee company.
- The investments in Vodafone Egypt on June 30, 2026, represents the ownership of 107 869 799 shares with a percentage of 44.95% from the total shares of Vodafone Egypt.
- The financial year of Vodafone Egypt ends on March 31 of each year and the equity method was applied in recognizing the investment in Vodafone Egypt during preparing the Condensed Consolidated Interim Financial Statements as of June 30, 2026 by using the consolidated financial statements of Vodafone Egypt for the financial year ended in March 31, 2026 which presents the 12 months from the 1st of April 2025 till March 31, 2026, deduct the movements of the period from April 1, 2025 till December 31, 2025 from the consolidated interim financial data of Vodafone Egypt as of December 31, 2025, adding the period from 1st of April 2026 till June 30, 2026 from the consolidated interim financial data of Vodafone Egypt as of June 30, 2026, to determine the share of financial period from January 1 to June 30, 2026 of business results of the associate company.

18- INVENTORIES

	30/6/2026	31/12/2025
	L.E. (000)	L.E. (000)
Spare parts	1 733 685	1 828 672
Material supplies, Merchandise for sale	4 651 280	5 542 229
Others	12 105	18 285
	6 397 070	**7 389 186**

The value of inventories was written down by L.E. 243 462 K (against LE 155 800 K as at December 31, 2025) for obsolete and slow-moving items directly from the cost of each type of related inventory related to.

19- TRADE AND NOTES RECEIVABLES

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Trade Receivables - National	10 045 118	8 624 934
Trade Receivables - International	13 345 028	13 329 626
	23 390 146	**21 954 560**
Less:		
Expected credit loss	4 005 799	4 042 844
Add:		
Notes receivables	334 342	321 829
	19 718 689	**18 233 545**

Trade and notes receivable balance have increased by an amount of L.E. 1 485 144 K is mainly due to the increase in trade receivables domestic wholesale by an amount of L.E 1 033 767 K, trade receivables – International Carrier by an amount of L.E. 826 552 K, trade receivables – Enterprise by an amount of L.E. 225 142 K and trade receivables – Home and personal communications by an amount of L.E. 161 275 K, However the decrease in trade receivables – International cables and networks by an amount of L.E 811 150 K led to the limitation of this increase .

20- DEBTORS AND OTHER DEBIT BALANCES

	30/6/2026 L.E(000)	31/12/2025 L.E(000)
Suppliers – advanced payments	1 858 233	886 031
Deposits with other	359 997	364 114
Accrued revenues	493 640	560 228
Tax Authority - value added tax	207 377	915 915
Due from ministries, organizations and companies	2 234 005	1 938 423
Temporary debts due from employees	1 064 706	1 640 340
Prepaid expenses	246 371	187 787
Other debit balances	1 927 256	1 738 342
	8 391 585	**8 231 180**
Less:		
Expected Credit loss	350 398	351 519
	8 041 187	**7 879 661**
Balances due within more than one year:		
Prepaid expenses	80 208	85 273
Non current debtors and other debit balances	**80 208**	**85 273**
Current debtors and other debit balances	**7 960 979**	**7 794 388**
Total debtors and other debit balances	**8 041 187**	**7 879 661**

Debtors and other debit balances have increased by an amount of L.E. 161 526 K mainly due to the increase in suppliers-advanced payments item by an amount of L.E. 972 202 K and due from ministries, organizations and companies item by an amount of L.E. 295 582 K, However the decrease in Temporary debts from employees item by an amount of L.E. 575 634 K Due to employee dividends for the year 2025 and Tax Authority – value added tax item by an amount of L.E. 708 538 K led to the limitation of this increase.

21- CASH AND CASH EQUIVALENTS

	Note No.	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)	30/6/2025 L.E. (000)
Banks - time deposits (less than 3 months)		2 487 883	2 621 288	3 701 735
Banks - current accounts		5 330 028	5 001 144	5 346 413
Cash on hand		18 025	3 691	43 360
Financial assets at amortized cost - Treasury bills (less than 3 months)		-	515 174	-
Money market funds (less than 3 months)		137 426	171 173	236 400
Cash and cash equivalents		**7 973 362**	**8 312 470**	**9 327 908**
Less:				
Restricted time deposites and current accounts at banks	(30)	819 987	627 928	647 437
Cash and cash equivalents as per statement of cash flows		**7 153 375**	**7 684 542**	**8 680 471**

22- ASSETS HELD FOR SALE

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Net carring amount of fixed assets and projects under construction	3 917 306	2 449 845

- On September 3, 2025, the company's Board of Directors decided to partially dispose of its Regional Data Center (RDH) by transferring the relevant assets to the data center subsidiary (RDH) as part of the group's restructuring Accordingly, this part of assets is presented as assets held for sale.
- On July 15, 2026, the Board of Directors of Telecom Egypt decided not to proceed with the transaction approved on September 3, 2025. That transaction had involved preliminary approval of an offer from an investor to acquire a 75% to 80% stake in a subsidiary that was to own the Regional Data Hub (RDH) complex. The Company confirms that it is continuing to implement its strategic plan to spin off its data center service assets and activities into a wholly-owned (100%) subsidiary, as part of establishing a specialized entity dedicated entirely to this business.

23- LOANS AND CREDIT FACILITIES

-The decrease in the balance of loans and credit facilities by an amount of L.E 2 251 136 K mainly resulted from fluctuations in foreign currency where loans and credit facilities with local and foreign currencies on June 30, 2026, amounted to L.E. 71 507 660 K (against LE 73 758 796 K at December 31, 2025) with an amount of L.E. 42 463 030 K due within a year.

24- CREDITORS AND OTHER CREDIT BALANCES

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Suppliers and notes payables	10 358 145	11 481 486
Tax Authority (taxes other than income tax)	1 760 706	763 401
Deposits held for others	1 338 992	1 259 690
Assets creditors	31 951 607	35 349 198
Accrued expenses	2 711 136	2 737 443
Social insurance authority	189 475	153 558
Trade receivables - credit balances	2 244 081	2 019 724
Credit balances organizations and companies	1 311 663	1 012 094
Contract liabilities	22 024 440	15 814 665
National Telecommunication Regulatory Authority (NTRA)	3 142 169	5 332 553
Other credit balances	2 536 778	1 802 732
	79 569 192	**77 726 544**
balances due within more than one year:		
Assets creditors	20 523 500	22 768 788
Contract liabilities	10 633 780	9 351 752
Non current creditors and other credit balances	**31 157 280**	**32 120 540**
Current creditors and other credit balances	**48 411 912**	**45 606 004**
Total creditors and other credit balances	**79 569 192**	**77 726 544**

Creditors and other credit balances have increased by an amount of L.E 1 842 648 K mainly due to the increase in Contract Liabilities by an amount of L.E. 6 209 775 K, Tax Authority (taxes other than income tax) by an amount of L.E 997 305 K, however the decrease of Assests creditors by an amount of L.E. 3 397 591 K, National Telecommunication regulatory authority (NTRA) by an amount of L.E. 2 190 384 K, Suppliers and notes payables by an amount of L.E. 1 123 341 K led to limitiation of this increase.

25- PROVISIONS

	30/6/2026 L.E.(000)	31/12/2025 L.E.(000)
Balance at the beginning of the period / year	1 793 704	1 310 573
Charged to statement of profit or loss for the period / year	392 371	656 964
Used during the period / year	(8 694)	(173 788)
Translation differences of foreign entities	(318)	(45)
Balance at the end of the period / year	**2 177 063**	**1 793 704**

26- CAPITAL

- The company's issued and fully paid-up capital is L.E. 17 070 716 K, represented in 1 707 071 600 shares at a par value of L.E 10 each.
- The Egyptian Government owns 70% after offering 20% of company's shares in public offering during December 2005 and 10% during the year 2023.

27- RESERVES

	30/6/2026 L.E.(000)	31/12/2025 L.E.(000)
Legal reserve*	3 826 082	3 537 460
Other reserves	2 849 218	2 849 218
	6 675 300	**6 386 678**

* The balance of legal reserve has increased as a result of retaining an amount of L.E. 288 622 K from the profit of 2025 in accordance with the company's articles of association.

28- INCOME TAX

28-1 Items recognized in statement of profit or loss

	For the six months ended:		For the three months ended:	
	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)
Current income tax	(4 344 088)	(2 039 501)	(2 234 389)	(914 486)
Deferred tax	(258 731)	(1 370 051)	(1 264 064)	(991 260)
	(4 602 819)	**(3 409 552)**	**(3 498 453)**	**(1 905 746)**
As folow :-				
Income tax from continued operations	(4 563 391)	(3 380 580)	(3 479 064)	(1 890 267)
Current income tax from discontinued operations	(39 428)	(28 972)	(19 389)	(15 479)
	(4 602 819)	**(3 409 552)**	**(3 498 453)**	**(1 905 746)**

28-2 Items recognized in Statement of Comprehensive Income

	For the six months ended :		For the three months ended :	
	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)	30/6/2026 L.E. (000)	30/6/2025 L.E. (000)
Income tax expense	527 161	-	243 607	-
Deferred tax expense	(527 161)	-	(243 607)	-
	-	-	-	-

28-3 Recognized deferred tax assets and liabilities.

	30/6/2026		31/12/2025	
	Assets L.E.(000)	(Liabilities) L.E.(000)	Assets L.E.(000)	(Liabilities) L.E.(000)
Total deferred tax asset /(liability)	4 236 464	(6 892 345)	5 176 125	(7 046 114)
Net deferred tax asset / (liability)	-	(2 655 881)	-	(1 869 989)
Deferred tax for the period\ year	-	(785 892)	-	(4 848 471)
Impact of Deferred tax charged to statement of profit or loss	-	(258 731)	-	(3 481 105)
Impact of deferred tax charged to statement of comprehensive income	-	(527 161)	-	(1 367 366)

28-4 Unrecognized deferred tax assets

	30/6/2026 L.E.(000)	31/12/2025 L.E.(000)
Unrecognized deferred tax assets	**1 044 724**	**1 082 886**

Deferred tax assets have not been recognized in respect of the above items due to the uncertainty of the utilization of their benefits in the foreseeable future.

28-5 Current income tax

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
Tax Authority- income tax	2 345 640	3 153 729
Less :		
Tax Authority- advanced payments	1 394 205	1 919 867
Tax Authority- adjustments on previous years	687	22 555
Tax Authority- debit balance	-	2 669
Tax Authority- withholding tax	63 628	54 483
	887 120	**1 154 155**

Represented in the balance due from/to the Egyptian Tax Authority for income taxes on the profits of corporate companies.

29- CAPITAL COMMITMENTS

The company's capital commitments for the unexecuted parts of contracts until June 30, 2026, amounted to L.E. 3 948 million (against L.E. 4 112 Million at the financial year ended December 31, 2025).

30- CONTINGENT LIABILITIES

In addition to the amounts included in the condensed consolidated interim statement of financial position, the company has the following contingent liabilities as at June 30, 2026:

	30/6/2026 L.E. (000)	31/12/2025 L.E. (000)
- Letters of guarantee issued by banks on behalf of the company*	3 929 274	3 900 101

*Letters of guarantee which were issued by banks on behalf of the company and for others on June 30,2026 including letters of guarantee issued in exchange for cash cover (restricted cash and equivalent) (Note No.21)

31- TAX POSITION (Telecom Egypt)

31-1 Corporate tax

- Tax inspection was performed for the years till December 31, 2018 and all due taxes and fines were settled for those years and Fines according to law No. 153 of 2022 were settled to avoied the fine which accrued for those years
- Tax inspection was performed for the years from January 1,2019 till December 31, 2023 and all due taxes and fines were settled for those years and Fines are being settled.
- Tax inspection for years 2024\2025 have not been done to date.
- Tax return are submitted according to the income tax law No. 206 of 2020, its amendments and its executive regulations, also the due taxes are paid on legal dates.

31- 2 Value Added Tax \ Sales Tax

- Tax inspection for the years till December 31, 2023 was performed and the tax differences were settled for those years except the additional tax for the years from 2018 till 2023.
- Tax inspection for year 2024/2025 have not been done to date.
- Tax returns are submitted according to the value added tax law and according to the law No. 206 of 2020 issuing the Unified Tax Procedures Law, and the due taxes, if any, are paid on the legal dates.

31- 3 Salary & wages Tax

- Tax inspection was performed for the years till December 31 ,2014 and the Company was notified with tax differences and all due taxes were settled.
- Tax inspection for the year 2015 till 2022 has been performed and all due taxes were settled and Fines are being settled.
- Years from 2023 till 2025, the company is regular in deducting and remitting taxes on legal dates according to the law No. 206 of 2020, its amendments and its executive regulations also, the tax settlement are submitted according to the provisions of law No. 206 of 2020 issuing the Unified Tax Procedures Law.

31- 4 Stamp Tax

- Tax inspection for the period starting from March 27, 1998 to December 31, 2000 was performed for certain sectors of the company, and the company was notified of the tax assessment elements, and the company filed remedies and appears against legal deadlines.
- Tax inspection for the period starting from January 1, 2001 till July 31, 2006 was performed for certain sectors of the company and tax due were settled. Tax inspection for the remaining sectors is currently being undertaken for the same period.
- Tax inspection for the period starting from August 1, 2006 to December 31, 2020 was performed and all the due taxes were settled.
- Stamp duty development was inspected for year 2020/2021 and the inspection didn't reveal any due differences.
- Tax inspection for years 2022 till 2025 have not been done to date.

31- 5 Real Estate Tax

- All due taxes are being paid according to the tax claim forms received by the company. The company's Legal Department follows up the disputes according to the real estate tax law.
- Tax returns were submitted according to the new real estate tax law No. 196 for the year 2008 also, the due taxes are settled on thise due dates.

32- **RELATED PARTY TRANSACTIONS**

32-1 **Transactions between the group and its associates.**

The related transactions during the period and balances on the condensed consolidated interim financial statements date are stated as follows:-

	Nature of transactions during the period LE 000	Transactions volume during the period stated in the statement of profit or loss LE 000	Movement during the period Debit LE 000	Movement during the period Credit LE 000	Balance as of 30/6/2026 Debit (Credit) LE 000	Balance as of 31/12/2025 Debit (Credit) LE 000
Debit balances due from associates						
– Vodafone Egypt Telecommunications Company	Outgoing calls and voice services to the associate company	4 153 119				
			13 381 792	12 051 189	(3 213 393)	(4 543 996)
	Incoming and international calls, transmission & lease of company premises and towers to the associates company	4 419 678				
	The company`s share of dividend for year 2025	-	6 850 848	-	6 850 848	-
			20 232 640	**12 051 189**	**3 637 455**	**(4 543 996)**

32-2 Transactions with the Egyptian government

The Egyptian government contributes 70% of the capital represented by the ministry of finance which results in existence of mutual services between the company and the governmental entities, including revenues, costs, and other expenses, transactions related to taxes, social insurance and customs.

32-3 Transactions with the Board of directors

On March 26, 2026, The Company's ordinary general assembly decided to approve the disbursement of an amount of L.E 20 405 K to the members of the board of directors as a reward for the financial year ended in December 31, 2025, in addition to attending board sessions allowances (against L.E. 18 550 K as a reward for the financial year ended December 31, 2024).

33. GROUP ENTITIES

- Subsidiaries companies are controlled by group companies.
- The group companies control the invested entities when affected by or entitled to variable interest, through participating and influencing the interest due to authority on invested entity.
- The condensed consolidated financial statement includes the subsidiary companies that it holds, from the date of acquisition till end date.
- Company's direct and indirect share in subsidiaries companies on June 30, 2026, which were included in the condensed consolidated financial statements is as follows:

Company name	Country of incorporation	Ownership interest	
		30/6/2026	31/12/2025
Telecom Egypt France	France	100.00 %	100.00 %
WE Data	Egypt	100.00 %	100.00 %
T.E Data Jordan	Jordan	100.00 %	100.00 %
TE Investment Holding	Egypt	100.00 %	100.00 %
The Egyptian Telecommunication Company for Information Systems (Xceed)	Egypt	100.00 %	100.00 %
Xceed Customer Care Maroc	Morocco	100.00 %	100.00 %
Xceed Customer Care Mauritius	Mauritius	100.00 %	100.00 %
Xceed Customer Care FZCO	UAE	100.00 %	100.00 %
AL-MASRIAH for IT Systems Company	KSA	100.00 %	100.00 %
Centra Technologies	Egypt	100.00 %	100.00 %
Centra for Electronic Industries*	Egypt	100.00 %	100.00 %
Telecom Egypt Globe	Singapore	100.00 %	100.00 %
Middle East and North Africa Submarine Cable Company (MENA CABLE)	Egypt	100.00 %	100.00 %
Mena Company For Submarine Cable Company (MENA CABLE ITALY)	Italy	100.00 %	100.00 %
TES for sport investment	Egypt	100.00 %	100.00 %
TE INFRACO LIMITED	UAE	100.00 %	100.00 %
WE HOST	UAE	100.00 %	100.00 %
RDH	Egypt	100.00 %	100.00 %
VCC India Private Limited	India	100.00 %	-
Middle East Radio Communication (MERC)	Egypt	51.00 %	51.00 %

* Telecom Egypt has acquired shares in Centra for Electronic Industries (pursuant to the resolution of the Extraordinary General Assembly of Centra Technology held on April 16, 2026). The acquisition value was determined based on the book value per share as of December 31, 2025, and necessary legal procedures for the transfer of ownership are currently in process.

34 - Segment reporting

As of the group activity level, the group of company defined the main operating activity segments and its prepared according to service provided. The information presented after the elimination of inter-segment transaction. The main operating activities segments for the group represented as follows:

For the period ended 30/6/2026

Description	Communications, marine cables and infrastructure	Internet	Outsourcing	All other	Total	discontinued operations
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Operating revenues	30 462 521	26 498 500	1 585 578	669 309	**59 215 908**	198 376
Operating costs	(19 397 708)	(12 693 039)	(1 045 058)	(594 576)	**(33 730 381)**	(23 139)
Gross profit	**11 064 813**	**13 805 461**	**540 520**	**74 733**	**25 485 527**	**175 237**
Credit interest	403 218	18 527	22 625	18 273	**462 643**	-
Debit interest and Finance cost	(5 351 538)	(7 876)	(22 524)	(1 206)	**(5 383 144)**	-
Depreciation and amortization	(5 980 097)	(2 914 566)	(162 207)	(10 259)	**(9 067 129)**	-
Share of profit of equity accounted investees after tax	9 102 375	-	-	2 701	**9 105 076**	-
Non cash items						
Reverse / Expected credit (Loss)	159 214	(106 006)	(16 392)	1 356	**38 172**	-
Provisions	(381 650)	-	(7 883)	(2 838)	**(392 371)**	-
Total assets	**220 173 471**	**4 847 410**	**2 593 762**	**8 409 774**	**236 024 417**	-
Total liabilities	**147 016 699**	**9 602 987**	**1 196 780**	**4 541 715**	**162 358 181**	-

For the period ended 30/6/2025

Description	Communications, marine cables and infrastructure	Internet	Outsourcing	All other	Total	discontinued operations
	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)	L.E. (000)
Operating revenues	26 936 364	21 390 573	1 581 746	519 745	**50 428 428**	160 455
Operating costs	(17 355 515)	(10 478 050)	(1 169 110)	(447 762)	**(29 450 437)**	(31 689)
Gross profit	**9 580 849**	**10 912 523**	**412 636**	**71 983**	**20 977 991**	**128 766**
Credit interest	316 782	27 669	24 658	20 878	**389 987**	-
Debit interest and Finance cost	(7 234 826)	(8 564)	(31 359)	(511)	**(7 275 260)**	-
Depreciation and amortization	(5 341 602)	(2 372 563)	(154 716)	(8 893)	**(7 877 774)**	(14 648)
Share of profit of equity accounted investees after tax	6 727 780	-	-	3 741	**6 731 521**	-
Non cash items						
Expected credit Loss	(311 012)	(225 737)	(1 909)	1 452	**(537 206)**	-
Provisions	(90 776)	(90 000)	-	-	**(180 776)**	-
Total assets	**218 612 958**	**4 589 750**	**2 898 729**	**4 957 215**	**231 058 652**	-
Total liabilities	**152 678 866**	**12 994 370**	**1 138 047**	**559 543**	**167 370 826**	-

35- COMPARATIVE FIGURERS

- Reclassification was made to some of the comparative figuers of the condensed consolidated statement of financial position and condensed consolidated statement of profit or loss to conform to the current presentation of the condensed consolidated financial statements.

35-1 Effect on the condensed consolidated statement of financial position:

	31/12/2025 as previously reported Debit\ (Credit) LE(000)	Reclassification Debit\ (Credit) LE(000)	31/12/2025 Reclassified Debit\ (Credit) LE(000)
Deferred tax assets	-	5 176 125	5 176 125
Deferred tax liabilities	(1 869 989)	(5 176 125)	(7 046 114)

35-2 Effect on the condensed consolidated statement of profit or loss

	For the six months ended 30/6/2025 as previuosly reported debit / (credit) L.E.(000)	Reclassification debit / (credit) L.E.(000)	For the six months ended 30/6/2025 Reclassified debit / (credit) L.E.(000)	For the three months ended 30/6/2025 as previuosly reported debit / (credit) L.E.(000)	Reclassification debit / (credit) L.E.(000)	For the three months ended 30/6/2025 Reclassified debit / (credit) L.E.(000)
Operating revenues	(50 597 057)	160 455	(50 436 602)	(25 799 080)	85 029	(25 714 051)
Operating costs	29 489 879	(31 268)	29 458 611	15 201 089	(16 009)	15 185 080
General and administrative expenses	3 904 106	(421)	3 903 685	1 995 231	(222)	1 995 009
Income tax	3 409 552	(28 972)	3 380 580	1 905 746	(15 480)	1 890 266
Net profit for the period from continued operations	(10 520 577)	99 794	(10 420 783)	(5 866 881)	53 319	(5 813 562)
Net profit for the period from discontinued operations	-	(99 794)	(99 794)	-	(53 319)	(53 319)

36- Significant events

Ramses Central Fire Accident

On July 7, 2025, a fire broke out in an equipment room of the company's Ramses Central building, The building is one of the main hubs of Egypt's telecommunications infrastructure, connecting several ground fiber optic cables to provide internet, landline, and mobile phone services locally and internationally.

The fire resulted in partial damage to a number of fixed assets on site, including part of the building, some equipment, and furniture. Which led to disruption of telecommunications services in some areas.

The cost of the disposed assets amounted to L.E. 2 343 107 K and the capital losses amounted to L.E. 1 483 568 K, and an amount of L.E. 200 million was received from the compensation account by the company Insurance and The claim procedures for the remaining compensation are being completed in accordance with the available insurance coverage, pending the completion of the investigations.

37- Subsequent Events

On July 15, 2026, the Board of Directors of Telecom Egypt decided not to proceed with the transaction previously approved on September 3, 2025. The transaction pertained to the preliminary approval of an offer submitted by an investor to acquire a 75% to 80% stake in a subsidiary that will own the Regional Data Center Hub (RDH).

The Company confirms its ongoing commitment to executing its strategic plan to carve out the data center services assets and operations into a wholly-owned (100%) subsidiary, as part of establishing a specialized entity dedicated entirely to this business activity.