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Emirates Telecommunications Group Company PJSC

Review reports and interim condensed consolidated financial statements for the six months period ended 30 June 2026

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Emirates Telecommunications Group Company PJSC

Review reports and interim condensed consolidated financial statements for the six months period ended 30 June 2026

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Emirates Telecommunications Group Company PJSC

Management report on the interim condensed consolidated financial statement for the six months period ended 30 June 2026

Financial Review

1. Revenue, profit and earnings per share

e&'s financial performance for the six months period ended 30 June 2026 is summarised below:

i) Consolidated revenue amounted to AED 38,143 million, representing an increase of AED 3,966 million (11.6%) compared to the corresponding period in the prior year.

ii) Profit attributable to the Owners of the Company amounted to AED 6,004 million, representing a decrease of AED 2,824 million (32.0%) when compared to the corresponding period in the prior year.

iii) Earnings per share decreased by AED 0.32 when compared to the corresponding period in the prior year.

2. Net assets

As compared to 31 December 2025, e&'s net assets increased by AED 1,797 million to AED 63,560 million as at 30 June 2026.

3. Capital expenditure

e& incurred AED 6,474 million capital expenditure in the six month period ended 30 June 2026 (AED 5,138 million in the six month period ended 30 June 2025).

4. Dividends

On 30 March 2026, at the Annual General Assembly Meeting, a final dividend for the year 2025 at the rate of AED 0.47 per share was approved for distribution to the shareholders and was paid on 23 April 2026.

On 30 July 2026, the Board of Directors declared the first interim dividend for the year 2026 at the rate of AED 0.475 per share.

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C.L. No. 1001276

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF EMIRATES TELECOMMUNICATIONS GROUP COMPANY PJSC

Introduction
We have reviewed the accompanying interim condensed consolidated financial statements of Emirates Telecommunications Group Company PJSC (the "Company") and its subsidiaries (together referred to as "the Group" or collectively as "e&") as at 30 June 2026 which comprise the interim condensed consolidated statement of financial position as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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

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

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

30 July 2026
Abu Dhabi

Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of profit or loss for the period

		(Unaudited)			
		Three months ended 30 June		Six months ended 30 June	
		2026	2025	2026	2025
	Notes	AED'000	AED'000	AED'000	AED'000
Continuing operations					
Revenue	4	**19,203,703**	**17,659,220**	**38,142,515**	**34,176,302**
Operating expenses	5	(12,807,538)	(11,720,121)	(25,603,240)	(22,727,354)
Impairment loss on trade receivables and contract assets		(206,685)	(261,250)	(466,568)	(550,885)
Impairment loss on other assets and other losses		(346)	(1,053)	(1,756)	(1,230)
Share of results of associates and joint ventures		29,577	840,573	208,700	859,958
Operating profit		**6,218,711**	**6,517,369**	**12,279,651**	**11,756,791**
Finance and other income	11	689,647	1,660,989	1,305,654	7,005,567
Finance and other costs		(606,924)	(1,399,720)	(1,429,785)	(2,100,786)
Profit before federal royalty and corporate tax		**6,301,434**	**6,778,638**	**12,155,520**	**16,661,572**
Federal royalty	6	(1,481,930)	(1,189,465)	(2,989,947)	(4,466,459)
Corporate tax expenses	6	(958,010)	(1,117,768)	(1,707,263)	(2,006,239)
Profit for the period from continuing operations		**3,861,494**	**4,471,405**	**7,458,310**	**10,188,874**
Discontinued operations					
Loss from discontinued operations	24	(227,013)	(167,248)	(451,611)	(331,234)
Profit for the period		**3,634,481**	**4,304,157**	**7,006,699**	**9,857,640**
Profit attributable to:					
Owners of the Company		3,121,144	3,472,343	6,003,623	8,827,166
Non-controlling interests		513,337	831,814	1,003,076	1,030,474
		3,634,481	**4,304,157**	**7,006,699**	**9,857,640**
Earnings per share					
From continuing and discontinuing operations					
Basic and diluted	8	AED 0.36	AED 0.40	AED 0.69	AED 1.01
From continuing operations					
Basic and diluted		AED 0.37	AED 0.41	AED 0.72	AED 1.03

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

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Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of comprehensive income for the period

		Unaudited			
		Three months ended 30 June		Six months ended 30 June	
		2026	**2025**	**2026**	**2025**
	Notes	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Profit for the period		**3,634,481**	**4,304,157**	**7,006,699**	**9,857,640**
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit obligation - net of tax		3,657	1,021	20,207	(2,084)
Gain/(loss) on revaluation of financial assets during the period		17,440	(13,764)	29,229	(18,323)
Share of other comprehensive (loss)/income of associates and joint ventures - net of tax		(11,924)	80,559	104,355	(64,833)
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		109,280	1,368,090	(1,020,547)	2,508,391
Gain/(loss) on net investment hedge during the period	18	20,708	(467,605)	189,109	(970,100)
Fair value loss arising on cash flow hedges during the period	18	(2,826)	(2,015)	(2,768)	(5,105)
Share of other comprehensive (loss)/income of associates and joint ventures - net of tax		(28,212)	297,807	254,991	4,754
Total other comprehensive income / (loss)		**108,123**	**1,264,093**	**(425,424)**	**1,452,700**
Total comprehensive income for the period		**3,742,604**	**5,568,250**	**6,581,275**	**11,310,340**
Total comprehensive income attributable to:					
Owners of the Company		3,107,002	4,316,332	5,706,658	9,636,807
Non-controlling interests		635,602	1,251,918	874,617	1,673,533
		3,742,604	**5,568,250**	**6,581,275**	**11,310,340**

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

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Emirates Telecommunications Group Company PJSC

Interim condensed consolidated statement of financial position

	Notes	(Unaudited) 30 June 2026 AED'000	(Audited) 31 December 2025 AED'000
Non-current assets			
Goodwill and other intangible assets	9	52,751,674	54,299,306
Property, plant and equipment	10	50,356,377	50,392,075
Right-of-use assets		3,914,929	3,890,625
Investments in associates and joint ventures	11	20,718,281	20,880,707
Other investments	12	11,984,190	10,921,029
Trade and other receivables	14	777,661	773,903
Finance lease receivables		1,106,093	1,164,730
Contract assets		1,174,694	1,151,617
Deferred tax assets		645,562	691,715
		143,429,461	**144,165,707**
Current assets			
Inventories		1,401,771	1,301,605
Trade and other receivables	14	20,430,699	19,163,632
Current income tax assets		1,235,648	1,090,058
Finance lease receivables		152,276	162,731
Due from related parties	13	115,457	73,744
Contract assets		3,550,518	3,362,055
Other investments	12	863,502	1,430,834
Derivative financial instruments	18	-	412
Cash and bank balances	15	27,481,222	34,308,361
		55,231,093	**60,893,432**
Assets held for sale	24	2,206,411	-
		57,437,504	**60,893,432**
Total assets		**200,866,965**	**205,059,139**
Non-current liabilities			
Trade and other payables	16	1,475,196	1,572,119
Borrowings	17	42,986,479	30,750,599
Payables related to investments and licenses		625,446	592,278
Conditional commitment to acquire NCI's share		11,504,707	12,003,380
Derivative financial instruments	18	126,899	38,789
Deferred tax liabilities		2,900,937	3,015,466
Lease liabilities		4,508,726	4,601,508
Provisions		653,100	633,575
Provision for employees' end of service benefits		1,452,351	1,482,464
Contract liabilities		132,687	174,762
		66,366,528	**54,864,940**
Current liabilities			
Trade and other payables	16	33,986,271	38,370,532
Contract liabilities		3,716,898	3,712,600
Borrowings	17	24,942,374	36,888,438
Payables related to investments and licenses		563,057	980,134
Current income tax liabilities		1,095,028	1,994,520
Lease liabilities		1,062,302	1,052,868
Provisions		3,953,925	4,407,777
Provision for employees' end of service benefits		135,253	130,661
Derivative financial instruments	18	435,036	779,516
Due to related parties	13	104,274	114,546
		69,994,418	**88,431,592**
Liabilities directly associated with the assets held for sale	24	945,977	-
		70,940,395	**88,431,592**
Total liabilities		**137,306,923**	**143,296,532**
Equity			
Share capital	19	8,696,754	8,696,754
Reserves		24,685,415	24,526,498
Retained earnings		20,413,082	18,484,396
Equity attributable to the owners of the Company		**53,795,251**	**51,707,648**
Non-controlling interests		9,764,791	10,054,959
Total equity		**63,560,042**	**61,762,607**
Total liabilities and equity		**200,866,965**	**205,059,139**

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.

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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the six months period ended 30 June 2026 (Unaudited)

		Attributable to owners of the Company					
		Share capital	Reserves	Retained earnings	Owners' equity	Non-controlling interests	Total equity
	Notes	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2025, audited		**8,696,754**	**25,247,007**	**11,656,970**	**45,600,731**	**8,319,601**	**53,920,332**
Profit for the period		-	-	8,827,166	8,827,166	1,030,474	9,857,640
Other comprehensive income/(loss) for the period		-	857,623	(47,982)	809,641	643,059	1,452,700
Total comprehensive income for the period		**-**	**857,623**	**8,779,184**	**9,636,807**	**1,673,533**	**11,310,340**
Other movements in equity		-	(516)	(7,938)	(8,454)	6,382	(2,072)
Non-controlling interest put option		-	284,114	-	284,114	(276,274)	7,840
Transaction with owners of the Company:							
Sale of interest to non-controlling interest		-	-	(61,475)	(61,475)	61,475	-
Capital contribution by non-controlling interest		-	-	-	-	60,734	60,734
Dividends	7	-	-	(3,607,592)	(3,607,592)	(536,994)	(4,144,586)
Balance at 30 June 2025, unaudited		**8,696,754**	**26,388,228**	**16,759,149**	**51,844,131**	**9,308,457**	**61,152,588**
Balance at 1 January 2026, audited		**8,696,754**	**24,526,498**	**18,484,396**	**51,707,648**	**10,054,959**	**61,762,607**
Profit for the period		-	-	6,003,623	6,003,623	1,003,076	7,006,699
Other comprehensive (loss)/income for the period		-	(318,166)	21,201	(296,965)	(128,459)	(425,424)
Total comprehensive income for the period		**-**	**(318,166)**	**6,024,824**	**5,706,658**	**874,617**	**6,581,275**
Other movements in equity		-	-	(27,227)	(27,227)	(23,206)	(50,433)
Non-controlling interest put option			474,547	-	474,547	(252,190)	222,357
Transaction with owners of the Company:							
Acquisition of additional stake in subsidiary		-	2,536	16,796	19,332	(19,332)	-
Capital contribution by non-controlling interest		-	-	-	-	250,459	250,459
Dividends	7	-	-	(4,085,707)	(4,085,707)	(1,120,516)	(5,206,223)
Balance at 30 June 2026, unaudited		**8,696,754**	**24,685,415**	**20,413,082**	**53,795,251**	**9,764,791**	**63,560,042**

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

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

	Notes	Unaudited six months ended 30 June 2026 AED'000	2025 AED'000
Cash flows from operating activities			
Operating profit from continuing operations		**12,279,651**	**11,756,791**
Operating loss from discontinued operations	24	(447,089)	(350,352)
Operating profit		**11,832,562**	**11,406,439**
Adjustments for:			
Depreciation		3,971,013	3,314,821
Amortisation		1,899,927	1,549,379
Impairment loss on other assets and other losses		1,756	1,230
Share of results of associates and joint ventures		(208,700)	(859,958)
Provisions and allowances		236,284	45,604
Unrealised currency translation loss/(gain)		439,780	(571,608)
Operating cash flows before changes in working capital		**18,172,622**	**14,885,907**
Changes in working capital:			
Inventories		(195,389)	21,325
Due from associates and joint ventures		(42,179)	34,551
Trade and other receivables including contract assets		(2,247,394)	(1,684,805)
Trade and other payables including contract liabilities		221,620	(230,072)
Cash generated from operations		**15,909,280**	**13,026,906**
Income taxes paid		(2,843,286)	(1,550,500)
Payment of employees' end of service benefits		(25,099)	(53,272)
Payment of royalty fee		(7,778,927)	(5,274,439)
Net cash generated from operating activities		**5,261,968**	**6,148,695**
Cash flows from investing activities			
Acquisition of a subsidiary (net of cash)		(399,332)	(3,524,380)
Proceeds from disposal of investment in an associate		-	8,012,707
Acquisition of investment classified as fair value through OCI		(121,764)	(459,992)
Proceeds from disposal of investment classified as fair value through OCI		13,072	1,738,564
Acquisition of investment classified as fair value through profit or loss		(713,261)	(257,107)
Proceeds from disposal of investment classified as fair value through profit or loss		1,343,197	55,505
Acquisition of investments at amortised cost		(1,501,617)	(163,816)
Proceeds from disposal of investments at amortised cost		456,472	210,184
Purchase of property, plant and equipment		(3,606,651)	(2,614,556)
Proceeds from disposal of property, plant and equipment		206,303	132,246
Purchase of intangible assets		(2,866,943)	(2,215,600)
Proceeds from disposal of intangible assets		30,913	36,055
Dividend income received from associates and other investments		706,054	630,136
Net decrease in term deposits made with maturities over three months		7,906,604	8,188,445
Finance and other income received		1,360,807	2,130,053
Net cash generated from investing activities		**2,813,854**	**11,898,444**
Cash flows from financing activities			
Proceeds from borrowings		21,750,166	10,817,077
Repayments of borrowings		(21,049,513)	(17,813,162)
Payment of lease liabilities		(789,548)	(494,685)
Capital contribution by non-controlling interests		241,471	-
Dividends paid		(4,325,685)	(3,724,063)
Finance and other costs paid		(1,737,661)	(1,633,468)
Net cash used in financing activities		**(5,910,770)**	**(12,848,301)**
Net increase in cash and cash equivalents		**2,165,052**	**5,198,838**
Cash and cash equivalents at the beginning of the period		7,106,362	7,594,345
Effect of exchange rate fluctuations on cash held		(775,885)	223,562
Cash and cash equivalents at the end of the period	15	**8,495,529**	**13,016,745**

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

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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.

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1. General information *(continued)*

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

This interim condensed consolidated financial statements as at and for the six months ended 30 June 2026 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 2026), its subsidiaries, associates and joint ventures.

This interim condensed consolidated financial statements was approved by the Board of Directors and authorised for issue on 30 July 2026.

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 2025. 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 2025.

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in e&’s consolidated financial statements as at and for the year ended 31 December 2025.

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

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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 2025.

a) New and amended standards adopted by e&

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

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Contracts referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

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
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 except for IFRS 18, for which e& is currently working to identify all impacts the amendments will have on the primary interim consolidated financial statements and notes to the condensed consolidated financial statements.

4. Segmental information

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

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:

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4. Segmental information *(continued)*

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

- 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& 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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4. Segmental information *(continued)*

	e& UAE AED'000	e& International AED'000	e& Enterprise AED'000	Others AED'000	Eliminations AED'000	Consolidated AED'000
30 June 2026						
Revenue						
External revenue	17,409,654	18,147,992	1,584,979	999,890	-	38,142,515
Inter-segment revenue	385,393	173,641	63,157	1,127,437	(1,749,628)	-
Total revenue	**17,795,047**	**18,321,633**	**1,648,136**	**2,127,327**	**(1,749,628)**	**38,142,515**
Segment result	**7,675,743**	**4,381,701**	**44,355**	**177,852**	**-**	**12,279,651**
Finance and other income						1,305,654
Finance and other costs						(1,429,785)
Profit before federal royalty and corporate tax						**12,155,520**
Federal royalty						(2,989,947)
Corporate tax expenses						(1,707,263)
Profit for the year from continuing operations						**7,458,310**
Depreciation and amortisation	1,531,647	3,993,586	55,325	174,169	-	5,754,727
Impairment and other losses	-	1,756	-	-	-	1,756
Share of results of associates and joint ventures	-	(871)	-	209,571	-	208,700
Total assets	99,500,823	121,021,250	4,699,272	35,388,736	(59,743,116)	200,866,965
Non-current assets *	63,595,826	89,787,735	819,510	29,558,486	(40,977,658)	142,783,899
Total liabilities	61,045,578	70,955,960	2,000,374	3,305,011	-	137,306,923
Investments in associates and joint ventures	-	213,416	-	20,504,865	-	20,718,281
30 June 2025						
Revenue						
External revenue	16,525,144	15,030,424	1,652,878	967,856	-	34,176,302
Inter-segment revenue	532,023	156,070	66,601	1,042,578	(1,797,272)	-
Total revenue	**17,057,167**	**15,186,494**	**1,719,479**	**2,010,434**	**(1,797,272)**	**34,176,302**
Segment result	**7,342,352**	**3,592,900**	**34,782**	**786,757**	**-**	**11,756,791**
Finance and other income						7,005,567
Finance and other costs						(2,100,786)
Profit before federal royalty and corporate tax						**16,661,572**
Federal royalty						(4,466,459)
Corporate tax expenses						(2,006,239)
Profit for the year from continuing operations						**10,188,874**
Depreciation and amortisation	1,341,439	3,300,297	37,949	74,117	-	4,753,802
Impairment and other losses	-	1,230	-	-	-	1,230
Share of results of associates and joint ventures	-	-	-	859,958	-	859,958
31 December 2025						
Total assets	103,373,643	118,956,113	4,414,957	35,465,604	(57,151,178)	205,059,139
Non-current assets *	61,803,722	89,709,456	851,367	31,456,638	(40,347,191)	143,473,992
Total liabilities	69,564,935	106,205,506	3,645,625	13,851,680	(49,971,214)	143,296,532
Investments in associates and joint ventures	-	221,013	-	20,659,694	-	20,880,707

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

The segment information excludes the discontinued operation and the prior period has been re-presented.

Given that Careem Technologies has been classified as a disposal group held for sale and as a discontinued operation, e& Life segment has been merged with Others for the current period and comparative period

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5. Operating expenses

	Note	Three months ended 30 June		Six months ended 30 June	
		2026	2025	2026	2025
	Note	AED'000	AED'000	AED'000	AED'000
Direct cost of sales		5,499,647	5,208,432	11,068,126	10,178,090
Staff costs		1,411,827	1,385,750	2,800,547	2,673,112
Depreciation		1,929,855	1,717,190	3,931,290	3,283,612
Network and other related costs		1,239,173	963,199	2,367,185	1,855,162
Amortisation		891,414	775,892	1,823,437	1,470,190
Regulatory expenses	(i)	475,668	416,232	952,289	808,995
Marketing expenses		268,794	314,299	610,770	620,560
Consultancy cost		345,732	270,945	626,837	489,812
Operating lease rentals		37,233	30,681	70,591	60,996
IT costs		189,022	159,537	393,535	319,834
Foreign exchange (gain) / loss		(31,989)	6,442	(96,457)	24,106
Other operating expenses		551,162	471,522	1,055,090	942,885
Operating expenses		**12,807,538**	**11,720,121**	**25,603,240**	**22,727,354**

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 and corporate tax

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 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 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. 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.

On 24 July 2026, e& Group announced the notification from MoF for the extension of the existing Federal Royalty regime and Corporate Tax Law applicable to the telecommunications sector for three years period starting 1 January 2027 to 31 December 2029 with same rates and terms.

Amounts recognised in profit or loss

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
	AED'000	AED'000	AED'000	AED'000
Current corporate tax expense	924,140	963,401	1,732,466	1,934,350
Deferred tax expense/(benefit)	33,870	154,367	(25,203)	71,889
Federal royalty	1,481,930	1,189,465	2,989,947	4,466,459
	2,439,940	**2,307,233**	**4,697,210**	**6,472,698**

Corporate tax includes UAE Corporate tax amounting to AED 447 million (2025: AED 654 million).

The effective tax rate, including UAE federal royalty, for the current year is 38.6% (2025: 38.8%)

International Tax Reform - BEPS Pillar Two minimum tax

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. e& 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.

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6. Federal royalty and corporate tax *(continued)*

International Tax Reform - BEPS Pillar Two minimum tax *(continued)*

e& has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, e& neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

UAE, the jurisdiction where e& has its Head Office and Its Ultimate Parent Company ("UPC"), has officially announced the implementation of a Domestic Minimum Top-up Tax ("DMTT"), effective 1 January 2025. e& has an effective tax rate (including federal royalty) above 15% in respect of the UAE and therefore does not record any top-up taxes for the UAE.

7. Dividends

Amounts recognised as distribution to equity holders:	AED'000
Six months ended 30 June 2026	
Final dividend for the year ended 31 December 2025 of AED 0.47 per share	4,085,707
	4,085,707
Six months ended 30 June 2025	
Final dividend for the year ended 31 December 2024 of AED 0.415 per share	3,607,592
	3,607,592

8. Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
Earnings (AED'000)				
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	**3,121,144**	3,472,343	**6,003,623**	8,827,166
Number of shares ('000)				
Weighted average number of ordinary shares for the purposes of basic earnings per share	**8,696,754**	8,696,754	**8,696,754**	8,696,754
Earnings per share				
Basic and diluted	**AED 0.36**	AED 0.40	**AED 0.69**	AED 1.01

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

9. Goodwill and other intangible assets

The movement in the goodwill and other intangible assets is provided below:	30 June 2026 AED'000	31 December 2025 AED'000
Opening balance	**54,299,306**	**43,728,088**
Additions	2,113,619	3,766,315
Transfers from property, plant and equipment	753,324	1,513,610
Acquisition of subsidiaries	93,194	3,842,920
Disposals	(30,913)	(94,201)
Amortisation and impairment losses	(1,899,927)	(3,519,423)
Reclassified as held for sale (Note 24)	(1,358,206)	-
Exchange difference	(1,218,723)	5,061,997
Closing balance	**52,751,674**	**54,299,306**

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10. Property, plant and equipment	**30 June 2026 AED'000**	**31 December 2025 AED'000**
Opening balance	**50,392,075**	**44,510,998**
Additions	4,359,975	9,901,763
Transfers to intangible assets	(753,324)	(1,513,610)
Disposals	(212,442)	(288,189)
Depreciation	(3,392,326)	(6,243,256)
Impairment charge	(5,422)	(23,377)
Acquisition of subsidiaries	433,609	1,567,976
Reclassified as held for sale (Note 24)	(67,885)	-
Exchange difference	(397,883)	2,479,770
Closing balance	**50,356,377**	**50,392,075**

11. Investments in associates and joint ventures

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

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

12. Other investments	**30 June 2026 AED'000**	**31 December 2025 AED'000**
Fair value through profit & loss	591,698	1,242,498
Fair value through other comprehensive income	1,610,144	1,472,401
Amortised cost	10,645,850	9,636,964
Total other investments	**12,847,692**	**12,351,863**
included in current assets	863,502	1,430,834
included in non-current assets	11,984,190	10,921,029

13. 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 1,510 million (31 December 2025: AED 1,337 million), which are net of allowance for doubtful debts of AED 269 million (31 December 2025: AED 299 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.

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13. Related party transactions and balances *(continued)*

b) Associates and Joint ventures

	Associates		Joint Ventures	
	2026	2025	2026	2025
	AED '000	AED '000	AED '000	AED '000
Trading transactions for the six months ended 30 June				
Telecommunication services – sales	328,794	341,180	-	-
Telecommunication services – purchases	131,430	103,306	-	-
Management and other services	-	25,165	2,030	2,030
Due from related parties as at 30 June 2026 / 31 December 2025	**106,955**	**66,144**	**8,502**	**7,600**
Due to related parties as at 30 June 2026 / 31 December 2025	**104,274**	**114,546**	**-**	-

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.

14. Trade and other receivables

	30 June 2026	31 December 2025
	AED'000	AED'000
Amount receivable for services rendered	14,568,908	13,728,818
Amounts due from other telecommunication operators/carriers	3,320,535	2,642,210
Total gross carrying amount	**17,889,443**	**16,371,028**
Lifetime expected credit loss	(4,467,324)	(3,825,916)
Net trade receivables	**13,422,119**	**12,545,112**
Prepayments	1,390,342	920,927
Accrued income	1,458,013	1,841,610
Advances	1,954,786	1,728,577
Indirect taxes receivable	308,613	363,587
Dividend receivable	-	382,626
Other receivables	2,674,487	2,155,096
Net trade and other receivables	**21,208,360**	**19,937,535**
		-
Total trade and other receivables	**21,208,360**	**19,937,535**
of which current trade and other receivables	20,430,699	19,163,632
of which non-current other receivables	777,661	773,903

15. Cash and bank balances

	30 June 2026	31 December 2025
	AED'000	AED'000
Maintained in UAE	14,599,849	17,832,966
Maintained overseas, unrestricted in use	11,581,270	15,821,831
Maintained overseas, restricted in use	1,609,805	653,564
Cash and bank balances	**27,790,924**	**34,308,361**
Less: Reclassified as held for sale	(309,702)	-
Cash and bank balances from continuing operations	**27,481,222**	**34,308,361**
Less: Deposits with maturities exceeding three months from the date of deposit	(19,295,395)	(27,201,999)
Cash and cash equivalents from continuing operations	**8,185,827**	**7,106,362**
Cash and cash equivalents attributable to discontinued operations (Note 24)	309,702	-
Cash and cash equivalents in the statement of cash flows	**8,495,529**	**7,106,362**

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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16. Trade and other payables

	30 June 2026 AED'000	31 December 2025 AED'000
Current		
Federal royalty	2,989,947	7,778,927
Trade payables	8,316,064	8,716,165
Amounts due from other telecommunication operators/carriers	2,919,934	2,616,962
Accruals	9,543,994	10,495,094
Dividend payable	889,674	-
Other taxes payable	2,261,782	2,275,962
Advances from customers	399,216	393,107
Deferred income	366,551	375,567
Funds payable and amounts due to customers	4,194,850	4,055,021
Other payables and accruals	2,104,259	1,663,727
	33,986,271	**38,370,532**
Non-current		
Other payables	1,475,196	1,572,119
	1,475,196	**1,572,119**

17. Borrowings

	Carrying Amounts	
	30 June 2026 AED'000	31 December 2025 AED'000
Bank borrowings		
Short term bank borrowings	4,286,387	4,082,615
Bank loans	56,480,969	48,678,795
Other borrowings		
Bonds	6,291,062	14,037,046
Vendor financing	320,178	290,339
Others	7,981	7,966
	67,386,577	**67,096,761**
Advance from non-controlling interests	542,276	542,276
Total borrowings	**67,928,853**	**67,639,037**
of which due within 12 months	24,942,374	36,888,438
of which due after 12 months	42,986,479	30,750,599

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.

On 24 March 2026, e& Group signed a new Islamic/ Conventional facility with local banks for total amount of AED 5.3 billion with tenure of 5 years. The funds were utilized to repay the EUR 1.2 billion (AED 5.1 billion) bond that matured in June 2026.

On 15 April 2026, e& Group obtained extension of the AED 16.2 billion loan facility for another 6 months, moving its maturity to 30 April 2027 at the same terms and conditions.

On 5 June 2026, e& Group signed a new loan facility with local banks for AED 7 billion with tenure of 3 years. The new facility was utilized to prepay the 2026 existing facilities.

In March 2026 e& PPF Telecom Group paid the bond liability matured by utilizing term loan facility in amount of EUR 550 million.

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18. Hedge accounting and derivatives

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

	Six months ended 30 June	
	2026	2025
Effective part directly recognized in other comprehensive income/(loss)	**AED'000**	**AED'000**
Other comprehensive income/(loss) on net investment hedge	189,109	(970,100)
Other comprehensive loss on cash flow hedges	(2,768)	(5,105)
Total effective part directly recognised in other comprehensive income	**186,341**	**(975,205)**

	30 June 2026	31 December 2025
Fair value of derivative financial instruments	**AED'000**	**AED'000**
Fair value of forward contracts and options	(429,183)	(781,958)
Fair value of derivative swaps	(132,752)	(35,935)
Total derivative financial instruments	**(561,935)**	**(817,893)**
included in current assets	-	412
included in current liabilities	(435,036)	(779,516)
included in non-current liabilities	(126,899)	(38,789)

19. Share capital

	30 June 2026	31 December 2025
	AED'000	**AED'000**
Authorised:		
10,000 million (2025: 10,000 million) ordinary shares of AED 1 each	10,000,000	10,000,000
Issued and fully paid up:		
8,696.8 million (2025: 8,696.8 million) ordinary shares of AED 1 each	8,696,754	8,696,754

20. Contingent liabilities

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

(ii) In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than th 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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20. 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.

The court has remanded the cases to the respective High courts for determining who amongst the retired T&T employees are actually civil servants and who fall within the category of workmen. The petitions were last fixed for hearings on 3 June 2026 and have been, since then, adjourned to date in office.

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. The reviews were fixed in the Federal Constitutional Court on 16 June 2026 and were adjourned to date in office without hearing.

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 6.9 billion (AED 90 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 condensed consolidated financial statements.

21. Capital Commitments

e& has approved future capital projects and investment commitments to the extent of AED 10,432 million (31 December 2025: AED 7,398 million). e& has issued letters of credit amounting to AED 753 million (31 December 2025: AED 574 million).

22. 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.

23. Seasonality and cyclicality of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the periods ended 30 June 2026 or 30 June 2025.

24. Discontinued operations

On 1 June 2026 e& signed a binding agreement with Uber Technologies ("Uber") to sell 12.50% of its 50.03% stake in Careem Technologies for a total cash consideration of USD 100 million. Upon completion of the transaction, e& will retain 37.53% ownership in the Careem Technologies.

The transaction value is USD 100 million in cash. In addition, e& has a put option that gives it the right to require Uber to purchase e&'s remaining shares of Careem Technologies, while Uber holds a reciprocal call option that gives it the right to require e& to sell those shares. These options are exercisable between 01 December 2031 to 31 January 2032. Upon completion of the transaction, e& will amend the accounting treatment of Careem Technologies to the equity method under IAS 28.

Given that there is a binding agreement to dispose of the 12.5% stake, resulting in loss of control over Careem Technologies, and that the closing of the transaction is highly probable, Careem Technologies has been classified as a disposal group held for sale and as a discontinued operation as at 30 June 2026.

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24. Discontinued operations *(continued)*

At 30 June 2026, Careem Technologies was classified as a disposal group held for sale and as a discontinued operation. The results of Careem Technologies for the period are presented below:

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
	AED'000	AED'000	AED'000	AED'000
Revenue	405,940	386,555	883,688	733,925
Operating expenses	(617,208)	(558,726)	(1,318,809)	(1,077,045)
Impairment loss on trade receivables and contract assets	(4,454)	(3,573)	(7,370)	(7,232)
Impairment loss on other assets and other losses	(4,598)	-	(4,598)	-
Operating loss	**(220,320)**	**(175,744)**	**(447,089)**	**(350,352)**
Finance and other income	1,718	7,731	4,483	17,497
Finance and other costs	(9,244)	(838)	(11,166)	(1,635)
Loss before corporate tax	**(227,846)**	**(168,851)**	**(453,772)**	**(334,490)**
Corporate tax benefit	833	1,603	2,161	3,256
Loss for the period from discontinued operations	**(227,013)**	**(167,248)**	**(451,611)**	**(331,234)**
Exchange differences on translation of foreign operations	162	397	714	847
Total comprehensive loss	**(226,851)**	**(166,851)**	**(450,897)**	**(330,387)**

The major classes of assets and liabilities of Careem Technologies classified as held for sale as at 30 June 2026 are, as follows:

	30 June 2026
	AED'000
Assets	
Goodwill and other intangible assets	1,358,206
Property, plant and equipment	67,885
Right-of-use assets	113,874
Other investments	1,575
Trade and other receivables	244,476
Inventories	110,693
Cash and bank balances	309,702
Assets held for sale	**2,206,411**
Liabilities	
Trade and other payables	745,591
Deferred tax liabilities	47,666
Lease liabilities	110,322
Provision for employees' end of service benefits	42,398
Liabilities directly associated with assets held for sale	**945,977**
Net assets directly associated with disposal group	**1,260,434**
Amounts included in accumulated OCI	
Translation reserves	342
Reserve of disposal group classified as held for sale	**342**

25. Subsequent event

On 10 July 2026, e& has signed a binding agreement with Vega, an acquisition vehicle wholly owned by the Niel family group, to divest its entire holding of 3,944,743,685 ordinary shares in Vodafone, representing around 16.21% of the Vodafone share capital and 17.13% of its total voting rights, for a total consideration of 112.5 GBp per share, comprised of 110.5 GBp to be paid in cash by the buyer and final FY'26 dividend of 2.02 GBp per share to be received on 30 July 2026.

On 17 July 2026, e& successfully transferred 3,944,743,685 ordinary shares in Vodafone to BNPP Financial Markets, Crédit Agricole Corporate and Investment Bank and Société Générale and received the sum of AED 21.5 billion (equivalent to USD 5.84 billion. e& will also receive 2.02 GBp dividend per share (equivalent to AED 0.4 billion / USD 0.11 billion), related to the FY'26 final dividend on 30 July 2026. This brings total consideration to AED 21.9 billion (equivalent of USD 5.95 billion).

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26. Impact of geopolitical developments

The first six months of 2026 witnessed regional geopolitical tensions that impacted the Group operating environment. Management assessment of the impact on the Group's operations and financial position, indicated that the Group's core businesses remain resilient and operational, with key revenue streams continuing under normal course of business while maintaining a strong liquidity position. Management continues to monitor performance and market developments closely.

Overall, based on available information up to the date of assessment, management has not identified indicators of material impairment or going concern uncertainty and expect the Group is transitioning to normalised operating conditions.

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