Mobile Telecommunications Company K.S.C.P
Kuwait

Condensed Consolidated Interim Financial Information (Unaudited)
30 September 2025

C o n t e n t s

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Independent auditor's report on review of condensed consolidated interim financial information

The Board of Directors
Mobile Telecommunications Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying 30 September 2025 condensed consolidated interim financial information of Mobile Telecommunications Company K.S.C.P. (the "Company") and its subsidiaries (together, the "Group"), which comprises the condensed consolidated interim statement of financial position as at 30 September 2025, the condensed consolidated interim statement of profit or loss and the condensed consolidated interim statement of other comprehensive income for three month and nine month periods then ended, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the nine month period then ended, and notes to the condensed consolidated interim financial information. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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.

Basis for Qualified Conclusion

As disclosed in note 2.3 to the condensed consolidated interim financial information, the Group holds investments in subsidiaries located in the Republic of Sudan, which has been classified as a hyperinflationary economy in accordance with the criteria of IAS 29, *Financial Reporting in Hyperinflationary Economies*. The Group did not perform an assessment of the impact of hyperinflation on these subsidiaries in the condensed consolidated interim financial information, in accordance with IAS 29. In the absence of such an assessment, it was impracticable for us to determine whether any adjustments might have been necessary in respect of elements making up the condensed consolidated interim statement of financial position as at 30 September 2025, 31 December 2024 and 30 September 2024, the condensed consolidated interim statement of profit or loss and the condensed consolidated interim statement of other comprehensive income for the three month and nine month periods ended 30 September 2025 and 30 September 2024, and the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the nine month period ended 30 September 2025 and 30 September 2024.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Emphasis of matter – Political uncertainty in Republic of Sudan

We draw attention to note 2.4 of the condensed consolidated interim financial information, which describes the Group's assessment of the ongoing impact of the political uncertainty in the Republic of Sudan on the Group's operations and financial performance and related uncertainties. Our review conclusion is not modified in respect of this matter.

Report on review of other legal and regulatory requirements

Furthermore, based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, the condensed consolidated interim financial information is in agreement with the books of account of the Company. We further report that, nothing has come to our attention that causes us to believe that there were any other violations of the provisions of the Companies Law No. 1 of 2016, as amended, and its Executive Regulations, as amended, or of the Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine month period ended 30 September 2025 that might have had material effect on the business of the Company or on its financial position.

We further report that, based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that there were any other violations of the provisions of the Law No. 7 of 2010, as amended, concerning the Capital Markets Authority, and its related regulations, during the nine month period ended 30 September 2025 that might have had material effect on the business of the Company or on its financial position.

Dr. Rasheed M. Al-Qenae
License No 130
of KPMG Al-Qenae & Partners
Member firm of KPMG International

Kuwait: 28 October 2025

Mobile Telecommunications Company K.S.C.P
Kuwait

Condensed Consolidated Interim Statement of Financial Position as at 30 September 2025 (Unaudited)

	Note	Unaudited 30 September 2025	Audited 31 December 2024	Unaudited 30 September 2024
ASSETS		KD '000	KD '000	KD '000
Current assets				
Bank and cash balances	3	239,586	195,930	213,044
Bank Balances held in customers' account	4	42,271	15,928	16,358
Trade and other receivables		1,121,650	1,028,891	1,012,965
Contract assets		93,967	86,076	81,843
Inventories		52,013	78,322	67,943
Investment securities at FVTPL		78,066	51,504	41,209
		1,627,553	1,456,651	1,433,362
Assets classified as held for sale	5	112,398	95,604	4,033
		1,739,951	1,552,255	1,437,395
Non-current assets				
Contract assets		82,180	69,870	58,897
Investment securities at FVOCI		14,320	13,748	15,876
Investments in associates and joint venture	6	229,074	207,818	207,589
Other non-current assets		135,557	112,225	105,418
Right of use of assets		211,557	172,979	150,379
Property and equipment	7	1,162,764	1,176,529	1,008,168
Intangible assets and goodwill	8	1,921,113	1,958,685	1,960,913
		3,756,565	3,711,854	3,507,240
Total Assets		5,496,516	5,264,109	4,944,635
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		1,238,068	1,163,209	1,102,041
Contract liabilities		64,795	60,893	53,988
Income tax payables		22,404	18,329	17,170
Bank borrowings	9	219,350	644,610	505,223
Lease liabilities		39,324	28,230	25,593
		1,583,941	1,915,271	1,704,015
Liabilities directly associated with assets classified as held for sale	5	33,631	32,944	639
		1,617,572	1,948,215	1,704,654
Non-current liabilities				
Bank borrowings	9	1,528,739	845,742	890,717
Lease liabilities		208,408	184,086	168,391
Other non-current liabilities	10	197,235	324,175	323,581
		1,934,382	1,354,003	1,382,689
Equity				
Attributable to owners of the Company				
Share capital	11.1	432,706	432,706	432,706
Share premium		1,707,164	1,707,164	1,707,164
Reserves	11.2	(906,109)	(912,183)	(992,283)
		1,233,761	1,227,687	1,147,587
Non-controlling interests		710,801	734,204	709,705
Total equity		1,944,562	1,961,891	1,857,292
Total Liabilities and Equity		5,496,516	5,264,109	4,944,635

The accompanying notes are an integral part of this condensed consolidated interim financial information.

This condensed consolidated interim financial information was approved and authorized for issue by the Board of Directors on 28 October 2025.

Osamah Othman Alfuraih
Chairman

Bader Nasser Al Kharafi
Vice Chairman & Chief Executive Officer

Condensed Consolidated Interim Statement of Profit or Loss – 30 September 2025 (Unaudited)

		Three months ended 30 September		Nine months ended 30 September	
		2025	**2024**	**2025**	**2024**
	Note	**KD'000**	**KD'000**	**KD'000**	**KD'000**
Revenue		581,623	500,608	1,659,324	1,445,455
Cost of sales*		(205,519)	(158,672)	(575,357)	(469,920)
Operating and administrative expenses		(168,400)	(146,309)	(500,669)	(436,018)
Expected credit loss on financial assets (ECL)		(11,939)	(15,892)	(31,185)	(34,351)
Depreciation, amortization and impairment		(86,349)	(85,665)	(258,270)	(261,657)
Interest income		3,701	1,797	6,697	6,853
Investment income	12	1,454	4,041	23,683	6,613
Share of results of associates and joint venture		2,015	316	21,266	1,128
Other (expenses) / income		(283)	(348)	(12,841)	3,543
Gain on sale and lease back transaction		-	1,727	-	1,727
Finance costs	13	(31,659)	(30,758)	(94,453)	(95,038)
Foreign exchange (loss) / gain		(2,431)	3,593	(2,814)	14,132
Net monetary (loss) / gain	20	(29)	229	4,193	1,610
Profit before taxation and Board of Directors' remuneration		82,184	74,667	239,574	184,077
Taxation	14	(12,199)	(8,961)	(30,025)	(22,843)
Board of Directors' remuneration		(156)	(120)	(426)	(359)
Profit for the period		69,829	65,586	209,123	160,875
Attributable to:					
Owners of the Company		56,982	54,115	178,171	135,534
Non-controlling interests		12,847	11,471	30,952	25,341
		69,829	65,586	209,123	160,875
Earnings per share (EPS)	15				
Basic and diluted – Fils		13	13	41	31

*Cost of sales comprises of access charges, trading cost, dealer commission and regulatory revenue sharing.

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Other Comprehensive Income – 30 September 2025 (Unaudited)

	Three months ended 30 September		Nine months ended 30 September	
	2025	**2024**	**2025**	**2024**
	KD'000	**KD'000**	**KD'000**	**KD'000**
Profit for the period	69,829	65,586	209,123	160,875
Other comprehensive loss				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign exchange differences on translating foreign operations	(7,945)	(19,898)	(28,110)	(89,374)
Other reserves	(1,396)	(1,411)	(2,833)	(2,108)
	(9,341)	(21,309)	(30,943)	(91,482)
Items that will not be reclassified subsequently to profit or loss:				
Fair value (loss) / gain on investments in equity instruments designated as at FVOCI	(23)	1,053	270	(898)
Other reserves	-	(1)	-	698
	(23)	1,052	270	(200)
Other comprehensive loss for the period	(9,364)	(20,257)	(30,673)	(91,682)
Total comprehensive income for the period	60,465	45,329	178,450	69,193
Total comprehensive income attributable to:				
Owners of the Company	48,600	38,666	155,863	49,464
Non-controlling interests	11,865	6,663	22,587	19,729
	60,465	45,329	178,450	69,193

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity – 30 September 2025 (Unaudited)

	Equity Attributable to owners of the Company				
	Share capital	**Share premium**	**Reserves (note 11.2)**	**Non -controlling interests**	**Total**
	KD '000	**KD '000**	**KD '000**	**KD '000**	**KD '000**
Balance at 1 January 2025	432,706	1,707,164	(912,183)	734,204	1,961,891
Profit for the period	-	-	178,171	30,952	209,123
Other comprehensive loss for the period	-	-	(22,308)	(8,365)	(30,673)
Total comprehensive income for the period			155,863	22,587	178,450
Transactions with shareholders of the Company, recognized directly in equity:					
Cash dividends (2024) and interim dividends (2025) (note 11.3)	-	-	(151,447)	-	(151,447)
Cash dividends to non-controlling interest of subsidiaries (2024)	-	-	-	(48,446)	(48,446)
Acquisition of a subsidiary				2,456	2,456
Impact of application of IAS 29 (note 20)	-	-	1,658	-	1,658
Balance at 30 September 2025	432,706	1,707,164	(906,109)	710,801	1,944,562
Balance at 1 January 2024	432,706	1,707,164	(893,919)	714,284	1,960,235
Profit for the period	-	-	135,534	25,341	160,875
Other comprehensive loss for the period	-	-	(86,070)	(5,612)	(91,682)
Total comprehensive income for the period	-	-	49,464	19,729	69,193
Transactions with shareholders of the Company, recognized directly in equity:					
Acquisition of a subsidiary	-	-	-	310	310
Cash dividends (2023) and interim dividends (2024) (note 11.3)	-	-	(151,447)	-	(151,447)
Cash dividends to non-controlling interest of subsidiaries (2023)	-	-	-	(24,618)	(24,618)
Impact of application of IAS 29 (note 20)	-	-	3,619	-	3,619
Balance at 30 September 2024	432,706	1,707,164	(992,283)	709,705	1,857,292

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Cash Flows – 30 September 2025 (Unaudited)

	Note	Nine months ended 30 September	
		2025	**2024**
		KD'000	**KD'000**
Cash flows from operating activities			
Profit before taxation and Board of Directors' remuneration		239,574	184,077
Adjustments for:			
Depreciation, amortization and impairment		258,270	261,657
ECL on financial assets		31,185	34,351
Interest income		(6,697)	(6,853)
Investment income	12	(23,683)	(6,613)
Share of results of associates and joint venture		(21,266)	(1,128)
Finance costs	13	94,453	95,038
Gain on sale and lease back transaction		-	(1,727)
Foreign currency loss/ (gain)		2,814	(14,132)
Net monetary gain	20	(4,193)	(1,610)
(Gain) / loss on sale of property and equipment		(670)	153
Operating cash flow before working capital changes		569,787	543,213
Decrease / (increase) in bank balances held in customers' account		3,729	(3,479)
Increase in trade and other receivables and contract assets		(189,383)	(162,951)
Decrease / (increase) in inventories		25,650	(12,584)
Increase / (decrease) in trade and other payables		81,813	(4,345)
Cash generated from operations		491,596	359,854
Income tax paid		(13,749)	(10,092)
KFAS paid		(2,152)	(2,232)
NLST and Zakat paid		(6,977)	(12,150)
Net cash from operating activities		468,718	335,380
Cash flows from investing activities			
Deposits maturing after three months, cash at banks under lien and government certificates of deposits	3	(9,732)	(1,571)
Investments in securities		(3,954)	(5,609)
Proceeds from sale of investment securities		103	761
Acquisition of subsidiaries, net of cash acquired	2.5	2,053	(3,645)
Acquisition of property and equipment (net)		(171,716)	(106,590)
Acquisition of intangible assets (net)		(33,871)	(31,066)
Proceeds from sale of telecom assets (sale and lease back)		-	6,069
Interest received		3,033	2,836
Dividend received		117	108
Net cash used in investing activities		(213,967)	(138,707)
Cash flows from financing activities			
Contribution from minority shareholders in the share capital of a subsidiary		850	-
Proceeds from bank borrowings	9	723,816	200,450
Repayment of bank borrowings	9	(477,370)	(161,261)
Repayment of payable to Ministry of Finance – KSA		(159,155)	(45,119)
Repayment of lease liabilities		(30,752)	(36,095)
Dividend paid to Company's shareholders		(151,236)	(115,159)
Dividend paid to minority shareholders of subsidiaries		(44,042)	(23,901)
Finance costs paid		(81,183)	(83,698)
Net cash used in financing activities		(219,072)	(264,783)
Net increase / (decrease) in cash and cash equivalents		35,679	(68,110)
Effect of foreign currency translation		(8,379)	(33,964)
Cash and cash equivalents at beginning of period		193,639	312,449
Cash and cash equivalents at end of period	3	220,939	210,375

The accompanying notes are an integral part of this condensed consolidated interim financial information.

1. Incorporation and activities

Mobile Telecommunications Company K.S.C.P (the "Company") is a Kuwaiti shareholding company incorporated in 1983. Its shares are traded on the Kuwait Stock Exchange. The registered office of the Company is at P. O. Box 22244, 13083 Safat, State of Kuwait.

The Company and its subsidiaries (the "Group") along with associates provide mobile telecommunication services in Kuwait and 7 other countries (31 December 2024 - Kuwait and 7 other countries; 30 September 2024 - Kuwait and 7 other countries) under licenses from the Governments of the countries in which they operate; purchase, deliver, install, manage and maintain mobile telephone and paging systems; and invest surplus funds in investment securities.

The Company is a subsidiary of Oman Telecommunications Company SAOG, Oman (the "Parent Company").

2. Basis of preparation

The condensed consolidated interim financial information for nine months ended 30 September 2025 has been prepared in accordance with IAS 34: *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024 ("last annual financial statements"). This does not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (IASB). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Group has prepared the condensed consolidated interim financial information on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The condensed consolidated interim financial information does not contain all of the information and disclosures required for complete financial statements prepared in accordance with IFRS Accounting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2025, including the impact of the matter stated in note 2.3 regarding application of IAS 29. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended 31 December 2024.

2.1 Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2025, but do not have a significant impact on the condensed consolidated interim financial information of the Group as follows:

Lack of exchangeability - Amendments to IAS 21

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

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

These amendments had no significant impact on the Group's condensed consolidated interim financial information.

2.2 Significant judgments and estimates

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.3 Reporting on Hyperinflationary economies

Republic of South Sudan ("South Sudan")

The economy of South Sudan became hyperinflationary in 2016. Accordingly, the results, cash flows and financial position of the Group's subsidiary in South Sudan have been expressed in terms of the measuring unit current at the reporting date in accordance with IAS 29: Financial Reporting in Hyperinflationary Economies. The methods used to measure the fair value and adjustments made to the accounts of Group's entities that operate in the hyperinflationary economies are discussed further in the accounting policies and in the respective notes.

Republic of Sudan ("Sudan")

In 2015, the Group noted that the economy of Sudan, where the Group has subsidiaries, may be hyperinflationary from the beginning of 2015. This was based on the general price index showing the cumulative three-year rate of inflation exceeding 100% at that time. However, International Accounting Standard, IAS 29: Financial Reporting in Hyperinflationary Economies, does not establish an absolute rate at which hyperinflation is deemed to arise and states that it is a matter of judgment when restatement of financial statements in accordance with this Standard becomes necessary. In addition, the Group noted that in the 2014 International Monetary Fund (IMF) Sudan country report, the cumulative projected three-year inflation rate outlook for Sudan in 2016 to be around 57% and thus, applying IAS 29 in 2015, could have entailed going in and out of hyperinflation within a short period which was confirmed when Sudan went out of hyperinflation in 2016. Sudan has been again declared as hyperinflationary in 2018. Based on the above matters, Group believes that there is no definitive basis to apply IAS 29 at this stage. However, the Group will review it on an ongoing basis, accordingly it has not quantified the impact of applying IAS 29 as of 30 September 2025, 31 December 2024 or 30 September 2024.

2.4 Political uncertainty in Sudan

A violent power struggle erupted on 15 April 2023, in Khartoum, the capital of Sudan, involving the two primary factions of the ruling military regime. This conflict has directly affected the Group's operations and its telecommunication assets, as certain areas in Sudan continue to experience high levels of hostility or temporary control by opposing forces. Given the Group's extensive presence and service provision across Sudan, these events have had an adverse impact on the country's economy and consequently, on the Group's business and operational outcomes.

As of the issuance date of this condensed consolidated interim financial information, the Group has not incurred any significant damage to crucial assets that would hinder its ability to sustain operations.

Since 15 April 2023, continuous monitoring of network and base station equipment has been in place, particularly in areas experiencing significant downtime. Various actions, such as reallocation of network traffic, capacity expansion, and other measures aimed at restoring network coverage and ensuring satisfactory network performance, are being implemented. Zain Sudan is actively involved in performing essential network maintenance, repairs, and optimizations utilizing both its current equipment and external resources.

The Group has taken appropriate actions to ensure the continuity of communication services and operations. The management has prepared and reviewed the updated financial forecasts for the year, taking into consideration most likely and possible downside scenarios for the ongoing business impacts of the war. These forecasts were based on the following key assumptions:

- there will be no substantial increase in the intensity of hostilities, thereby not adversely impacting the number of active sites significantly;
- Zain Sudan will have the capability to conduct maintenance and repair tasks in the affected territories of Sudan, ensuring a satisfactory level of network performance in regions where it is feasible while considering the physical security of technical specialists;

- there will be no significant fluctuations in the fuel rate, foreign exchange rates and other major costs during the course of the conflict;
- Zain Sudan will be able to ensure the uninterrupted functioning of its crucial IT infrastructure, aligning with management's implemented measures and incident response and disaster recovery plans; and
- the generated revenue from service and product sales will be sufficient for Zain Sudan to meet both operating expenses and essential capital investments.

Based on these forecasts, considering possible adverse scenarios, management reasonably expects that the Group possesses adequate resources to effectively handle its operations in Sudan. Management will maintain ongoing monitoring of the potential repercussions and will proactively implement all available measures to minimize any adverse consequences.

Zain Sudan currently holds agreements with suppliers of network equipment, and transportation routes for its delivery are accessible in all regions of Sudan, except for North and South Darfur, South Kordofan and some parts of North Kordofan, which are facing the most significant impact from the ongoing hostilities.

If a worst-case scenario unfolds with widespread hostilities across Sudan, it can be anticipated that Zain Sudan's operations may encounter disruptions for an indeterminate duration. This represents an uncertainty that is beyond the control of Zain Sudan. After evaluating the revised forecasts, management of Zain Sudan has examined the Zain Sudan's capability to operate as a going concern at the time of releasing this condensed consolidated interim financial information. As a result, it has determined that there are no significant uncertainties that could impede the Zain Sudan's infrastructure and operations, thereby casting significant doubt on its ability to continue as a going concern. Consequently, Zain Sudan is expected to be able to realize its assets and fulfill its obligations in the ordinary course of business.

2.5 Acquisition of Subsidiary

Zain Cash Iraq

During the period ended 30 September 2025, the Group obtained 51% equity interest of Iraq Wallet for Financial Payment Via Mobile Phone and Internet Services Company - Limited Liability Company (“Zain Cash Iraq”) for a purchase consideration of US$ 25.25 million (KD 7.721 million). The net cash inflow on acquisition amounts to US$ 6.714 million (KD 2.053 million) as the payment was made in previous years. The recognized amount of net assets of Zain Cash Iraq as at the date of acquisition was US$ 10.783 million (KD 3.297 million), resulting in a provisional goodwill of US$ 19.751 million (KD 6.04 million). The provisional values assigned to the identifiable assets and liabilities as at the date of acquisition, are subject to review within one year of acquisition on finalization of the Purchase Price Allocation (PPA). Zain Cash Iraq is a limited liability company incorporated in Iraq engaged in providing provide its customers with electronic wallets.

3. Bank and cash balances

Bank and cash balances include the following:

	Unaudited 30 September 2025 KD ‘000	Audited 31 December 2024 KD ‘000	Unaudited 30 September 2024 KD ‘000
Cash on hand and at banks	163,099	178,931	204,169
Short-term deposits with banks	87,352	41,444	35,266
Government certificates of deposits held by subsidiaries	2	2	3
	250,453	220,377	239,438
Expected credit loss	(10,867)	(24,447)	(26,394)
Bank and cash balances as per condensed consolidated interim statement of financial position	239,586	195,930	213,044
Deposits with original maturity over 3 months	(1,967)	(1,797)	(2,430)
Cash at bank under lien	(10,054)	(492)	(236)
Bank Overdraft	(6,624)	-	-
Government certificates of deposits with maturities exceeding three months held by subsidiaries	(2)	(2)	(3)
Cash and cash equivalent in the condensed consolidated interim statements of cash flows	220,939	193,639	210,375

4. Bank balances held in customers' account

Bank balances held in customers' account as part of electronic payment services provided by the Group are presented separately from bank and cash balances in the condensed consolidated interim statement of financial position of the Group. The regulations in respective locations require that these balances with banks are held in a manner to ensure that these balances are not combined with the Group's bank and cash balances.

5. Assets and liabilities of disposal group classified as held for sale and discontinued operations

5.1 Assets and liabilities of disposal group classified as held for sale

Kuwait

Following the acquisition of IHS Netherlands GCC B.V. ("IHS") (note 5.2), the Group ceased to classify the assets and liabilities related to the remaining telecom towers as held for sale in Kuwait, as the criteria for such classification are no longer met.

Iraq

The Group has classified certain network equipment amounting to US$ 72.57 million (KD 22.171 million) as held for sale during the period ended 30 September 2025, on the basis that management is committed to a plan to sell this network equipment and the transaction is expected to be completed within one year. As of 30 September 2025, network equipment worth US$ 19.85 million (KD 6.064 million) was transferred to the vendor.

5.2 Discontinued operations – IHS

In December 2024, the Group acquired residual 70% equity interest of IHS, to complement its already existing 30% stake and thereby owning a 100% stake in IHS, for a purchase consideration of US$ 139.800 million (KD 42.891 million). IHS is engaged in the business of tower infrastructure services in Kuwait.

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000
Fair value less cost to sell	62,660	62,660
Total liabilities of IHS	33,631	32,944
Total assets of IHS	96,291	95,604

The Group intends to dispose of IHS within one year and is actively in discussion with potential buyers, which is expected to conclude within one year, hence classified it as discontinuing operations.

6. Investments in associates and joint venture

6.1 Investments in associates

	Unaudited 30 September 2025		Audited 31 December 2024		Unaudited 30 September 2024	
	%	KD '000	%	KD '000	%	KD '000
IHS	-	-	-	-	30	1,374
TASC Towers Holding Limited ("TASC")	92.87	117,677	92.87	116,370	92.87	115,818
Entertainment Content Trading Company WLL ("Playhera MENA")	30	387	30	399	30	418
Others		558		568		554
		118,622		117,337		118,164

The carrying value of the associates and their results for the period are determined by Group management using the equity method based on management information provided by the associates.

IHS

During December 2024, the Group acquired 70% equity interest of IHS (note 5.2).

TASC

The Group determines that it does not have control over TASC on the basis that the Group does not have the ability for a majority representation in the Board under the terms agreed in the agreement between TASC shareholders.

In December 2023, the Group signed definitive agreements with Ooredoo Group Q.P.S.C ("Ooredoo") for a merger transaction to combine both company's passive infrastructures (towers) via a cash and share deal. The Group and Ooredoo will contribute assets and cash to the newly formed tower company to retain a 49.3% stake each in the newly formed tower company. The transaction (initial market closings) is in progress and is expected to be completed during 2025.

6.2 Investments in joint venture

	Unaudited		Audited		Unaudited	
	30 September 2025		31 December 2024		30 September 2024	
	%	KD '000	%	KD '000	%	KD '000
Zain Al Ajial S.A. ("Zain Ajial")	50	110,452	50	90,481	50	89,425
		110,452		90,481		89,425

This represents the Group's interest in the joint venture, Zain Al Ajial S.A. that owns 31% of the equity shares and voting rights of Wana Corporate (a Moroccan joint stock company that is specialized in the telecom sector in that country). The carrying value of this joint venture and its results for the period are determined by Group management using equity method estimated based on the latest management information provided by Wana Corporate. Share of results for the period includes one-time gain of US$ 50 million (KD 15.300 million) on settlement of legal dispute in Morocco.

7. Property and equipment

	Unaudited	Audited	Unaudited
	30 September 2025	31 December 2024	30 September 2024
	KD '000	KD '000	KD '000
Net fixed assets	901,680	894,044	861,342
Capital work in progress	261,084	282,485	146,826
	1,162,764	1,176,529	1,008,168

During the nine-months period ended 30 September 2025, the Group acquired property and equipment amounting to KD 155.731 million (30 September 2024: KD 82.946 million). Depreciation charged for the period amounted to KD 138.860 million (30 September 2024: KD 143.872 million).

The Group did not recognize any impairment loss for the nine months period ended 30 September 2025 (30 September 2024 - KD 6.431 million).

8. Intangible assets and goodwill

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000	Unaudited 30 September 2024 KD '000
Intangible assets	1,368,855	1,410,484	1,417,937
Goodwill	537,070	535,995	533,011
Capital work in progress	15,188	12,206	9,965
	1,921,113	1,958,685	1,960,913

During the nine-months period ended 30 September 2025, the Group acquired intangible assets amounting to KD 58.655 million (30 September 2024: KD 21.184 million). Amortization charged for the period amounted to KD 84.591 million (30 September 2024: KD 81.686 million).

During 2024, the Group, through ZainTech Solutions FZ-LLC ("Zain Tech"), acquired 100% equity interest of Specialized Technical Services Company BVI ("STS"). The Group finalized the Purchase Price Allocation ("PPA") exercise of STS during Q1 2025. The cumulative impact of these PPA related adjustments was passed in Q1 2025 as the impact was not material for the condensed consolidated interim financial information.

9. Bank borrowings

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000	Unaudited 30 September 2024 KD '000
Company			
Short term loans	52,465	40,040	-
Long term loans	731,723	661,771	641,971
	784,188	701,811	641,971
Mobile Telecommunications Company Saudi Arabia ("SMTC")			
Short term loans	13,826	41,080	40,635
Long term loans	651,359	473,626	432,272
	665,185	514,706	472,907
Pella Investment Company ("Pella")			
Short term loans	9,846	6,516	-
Long term loans	80,706	80,077	79,395
	90,552	86,593	79,395
Atheer Telecom Iraq Limited ("Atheer")			
Bank overdrafts	6,624	-	-
Long term loans	198,973	185,108	200,037
	205,597	185,108	200,037
Others			
Short term loans	1,240	155	779
Long term loans	1,327	1,979	851
	2,567	2,134	1,630
	1,748,089	1,490,352	1,395,940

Reconciliation of movements of bank borrowings to cash flows from financing activities:

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000	Unaudited 30 September 2024 KD '000
Opening balance	1,490,352	1,311,538	1,311,538
Proceeds from bank borrowings	723,816	437,431	200,450
Repayment of bank borrowings	(477,370)	(328,936)	(161,261)
Net proceeds from bank overdraft	6,617	-	-
Increase in bank borrowings due to vendor financing arrangement (non- cash item)	15,189	60,205	45,903
On acquisition of a subsidiary	-	2,314	2,314
Effect of change in foreign exchange rates	(10,515)	7,800	(3,004)
	1,748,089	1,490,352	1,395,940

The current and non-current amounts are as follows:

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000	Unaudited 30 September 2024 KD '000
Current liabilities	219,350	644,610	505,223
Non-current liabilities	1,528,739	845,742	890,717
	1,748,089	1,490,352	1,395,940

The carrying amounts of the Group's bank borrowings are denominated in the following currencies equivalent to Kuwaiti Dinar:

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000	Unaudited 30 September 2024 KD '000
US Dollar	386,722	456,915	450,164
Kuwaiti Dinar	673,219	587,337	542,065
Saudi Riyals	665,185	437,605	402,464
Jordanian Dinar	13,705	8,495	1,247
Iraqi Dinar	9,258	-	-
	1,748,089	1,490,352	1,395,940

The average effective interest rate as at 30 September 2025 was 5.68% (31 December 2024 – 6.56%; 30 September 2024 – 6.66%) per annum.

The Group is compliant with the principal covenant ratios, which include:

- consolidated net borrowings to adjusted consolidated Earnings Before Interest Tax Depreciation and Amortization (EBITDA);
- adjusted consolidated EBITDA to adjusted consolidated net interest payable;
- consolidated net borrowings to consolidated net worth (equity).

Also, the Group expects to comply with the covenants during 12 months after the reporting date.

Company

During the period ended 30 September 2025, the Company has:

1) drawn down loans amounting to KD 95.750 million from loan facilities (31 December 2024 - KD 351.280 million, 30 September 2024: KD 145 million). This includes:

- KD 18 million of long-term facility amounting to KD 93 million.
- KD 15 million of long-term facility amounting to KD 55 million.
- KD 20 million of revolving credit facility amounting to KD 100 million.
- KD 30 million of revolving credit facility amounting to KD 420 million.
- KD 12.750 million of revolving credit facility amounting to KD 12.750 million.

2) repaid loans amounting to KD 12.754 million (31 December 2024 – KD 237.161 million, 30 September 2024: KD 89.774 million).

The above facilities carry a fixed margin over three-month CME term Secured Overnight Financing Rate (CME term SOFR) or over the Central Bank Discount rate.

SMTC

Term loans include:

1) During the period, SMTC obtained a new Islamic Shariah compliant facility amounting to SAR 1,934 million (KD 157.292 million) repayable in a single bullet payment upon its maturity on 17 February 2030. The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SAIBOR. This facility was utilized by SMTC to repay in full the amount payable to Ministry of Finance – KSA.

2) In 2024, SMTC availed facilities of SAR 1,125 million (KD 91.496 million) (31 December 2024: SAR 1,125 million equivalent to KD 92.430 million, 30 September 2024: SAR 1,125 million equivalent to KD 91.429 million) to fund for the CAPEX payment against several projects and SAR 500 million (KD 40.665 million) (31 December 2024: SAR 500 million equivalent to KD 41.080 million, 30 September 2024: SAR 500 million equivalent to KD 40.635 million) for receivables discounting.

   SMTC have availed SAR 934.200 million (KD 75.978 million) (31 December 2024: SAR 736 million equivalent to KD 60.470 million, 30 September 2024: SAR 565 million equivalent to KD 45.903 million) of the CAPEX facility as at the reporting period.

   The interest amounting to SAR 57.550 million (KD 4.681 million) (31 December 2024: SAR 21.270 million equivalent to KD 1.748 million, 30 September 2024: SAR 12.690 million equivalent to KD 1.032 million) has been capitalized by SMTC during period, based on effective interest rate of the loan.

   During the nine-month period, SMTC has fully paid the receivables discounting banking facility amounting to SAR 500 million (KD 40.665 million).

3) During the period, a subsidiary of SMTC availed working capital Murabaha facility of SAR 200 million (KD 16.266 million) to fund for the short-term expenditure and be repayable within twelve months. The subsidiary of SMTC have availed SAR 170 million (KD 13.826 million) from this facility as at the reporting period.

4) During the period, SMTC signed SAR 5,500 million (KD 447.315 million) syndicated Murabaha facility with commercial banks at three months SAIBOR plus margin. The proceeds of the loan have been used to pay existing Murabaha facility as mentioned below and receivables discounting banking facility, both maturing on 30 September 2025, amounting to SAR 4,700.800 million (KD 382.316 million) and SAR 500 million (KD 40.665 million). Unused facility amounting to SAR 300 million (KD 24.399 million) will be withdrawn in line with SMTC's operational and investment needs. The loan is repayable after one year grace period and in accordance with the terms of the agreement.

5) During the period, SMTC closed and paid the long-term facility amounting to SAR 4,700.800 million (KD 382.316 million) in full and total unused working capital facility against Murabaha Finance Agreement amounting to SAR 1,000 million (KD 81.330 million) has been cancelled.

Pella

Long-term loans include:

1) US$ 160 million (KD 48.880 million) (31 December 2024 – US$ 160 million equivalent to KD 49.280 million, 30 September 2024 – US$ 160 million equivalent to KD 48.864 million) term loan from a commercial bank which is repayable by 11 October 2030.

2) US$ 100 million (KD 30.550 million) (31 December 2024 – US$ 100 million equivalent to KD 30.800 million, 30 September 2024 – US$ 100 million equivalent to KD 30.540 million) term loan from a commercial bank which is repayable by 30 April 2027.

Atheer

Long-term loans include:

1) US$ 105 million (KD 32.078 million) (31 December 2024 – US$ 105 million equivalent to KD 32.340 million, 30 September 2024 – US$ 105 million equivalent to KD 32.067 million) term loan from a commercial bank which is repayable by 30 June 2026.

2) US$ 131 million (KD 40.021 million) (31 December 2024 – US$ 71 million equivalent to KD 21.868 million, 30 September 2024 – US$ 125 million equivalent to KD 38.175 million revolving credit facilities from a commercial bank which is repayable by 17 December 2027. This includes converted term loan amounting to US$ 50 million (KD 15.275 million).

3) US$ 100 million (KD 30.550 million) (31 December 2024 – US$ 100 million equivalent to KD 30.800 million, 30 September 2024 – US$ 100 million equivalent to KD 30.540 million) term loan from a commercial bank which is repayable by 30 July 2026.

4) US$ 60 million (KD 18.330 million) (31 December 2024 – US$ 50 million equivalent to KD 15.400 million, 30 September 2024 – US$ 50 million equivalent to KD 15.270 million) term loan from a commercial bank which is repayable by 24 April 2027.

5) US$ 125 million (KD 38.188 million) (31 December 2024 – US$ 125 million equivalent to KD 38.500 million, 30 September 2024 – US$ 125 million equivalent to KD 38.175 million term loan from a commercial bank which is repayable by 01 May 2029.

6) US$ 100 million (KD 30.550 million) (31 December 2024 – US$ 100 million equivalent to KD 30.800 million, 30 September 2024 – US$ 100 million equivalent to KD 30.540 million) term loan from a commercial bank which is repayable by 19 August 2027.

7) IQD 40 billion (KD 9.258 million) (31 December 2024: Nil; 30 September 2024: Nil) term loan from a commercial bank which is repayable by 08 April 2027. The facility is guaranteed by the Immediate Parent of Atheer and carry a fixed interest rate.

These facilities are guaranteed by the Company except point no.7 mentioned above and carry a floating interest rate of a fixed margin over three-month SOFR.

10. Other non-current liabilities

	Unaudited 30 September 2025 KD '000	Audited 31 December 2024 KD '000	Unaudited 30 September 2024 KD '000
Payable to Ministry of Finance – KSA (refer below)	-	123,055	121,723
Due for acquisition of spectrum	134,277	143,654	140,288
Customer deposits	3,595	2,596	4,435
Post-employment benefits	59,354	54,870	55,658
Others	9	-	1,477
	197,235	324,175	323,581

During the period, SMTC fully settled its outstanding payable to Ministry of Finance, KSA.

11. Share capital and reserves

11.1 Share capital

The authorized, issued and fully paid up share capital of the Company (in cash and bonus shares) as of 30 September 2025 is 4,327,058,909 shares (31 December 2024 – 4,327,058,909; 30 September 2024 - 4,327,058,909) of 100 fils each.

11.2 Reserves

	Legal reserve	Foreign currency translation reserve	Investment fair valuation reserve	Other reserves	Retained earnings	Total reserves
	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000
Balance at 1 January 2025	216,354	(1,633,480)	(13,994)	2,050	516,887	(912,183)
Profit for the period	-	-	-	-	178,171	178,171
Other comprehensive (loss) / income for the period	-	(21,198)	270	(1,380)	-	(22,308)
Total comprehensive (loss) / income for the period	-	(21,198)	270	(1,380)	178,171	155,863
Transactions with shareholders of the Company, recognized directly in equity:						
Cash dividends (2024) and interim dividends (2025) (note 11.3)	-	-	-	-	(151,447)	(151,447)
Impact of application of IAS 29 (note 20)	-	-	-	-	1,658	1,658
Balance at 30 September 2025	216,354	(1,654,678)	(13,724)	670	545,269	(906,109)
Balance at 1 January 2024	216,354	(1,556,226)	(14,070)	2,998	457,025	(893,919)
Profit for the period	-	-	-	-	135,534	135,534
Other comprehensive loss for the period	-	(84,634)	(898)	(538)	-	(86,070)
Total comprehensive (loss) / income for the period	-	(84,634)	(898)	(538)	135,534	49,464
Transactions with shareholders of the Company, recognized directly in equity:						
Cash dividends (2023) and interim dividends (2024) (note 11.3)	-	-	-	-	(151,447)	(151,447)
Impact of application of IAS 29 (note 20)	-	-	-	-	3,619	3,619
Balance at 30 September 2024	216,354	(1,640,860)	(14,968)	2,460	444,731	(992,283)

11.3 Dividend

The annual general meeting of shareholders for the year ended 31 December 2024 held on 16 April 2025 approved distribution of a cash dividend of 25 fils per share to the registered shareholders, for the second half of the year 2024, after obtaining necessary regulatory approvals. This is in addition to the interim dividend of 10 fils distributed earlier in 2024 totaling 35 fils per share for the year 2024 (31 December 2023 – 35 fils per share).

Interim dividends

The Board of Directors, in their meeting held on 12 August 2025, declared distribution of 10 fils per share as interim dividend in cash.

Furthermore, the Board of Directors in their meeting held on 28 October 2025 declared distribution of a second interim cash dividend of 25 fils per share for the nine months period ended 30 September 2025. This is in addition to the first interim dividend of 10 fils per share distributed earlier in 2025.

12. Investment income

	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2025	**2024**	**2025**	**2024**
	KD'000	**KD'000**	**KD'000**	**KD'000**
Gain from investment securities mandatorily at FVTPL	148	132	633	212
Gain from investment securities designated at inception as FVTPL	1,306	3,909	22,933	6,293
Dividend income	-	-	117	108
	1,454	4,041	23,683	6,613

13. Finance costs

Finance cost consists of:

	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2025	**2024**	**2025**	**2024**
	KD'000	**KD'000**	**KD'000**	**KD'000**
Interest on bank borrowings	24,053	20,294	69,820	63,547
Finance cost on lease liabilities	4,694	3,438	13,249	10,535
Interest relating to license and spectrum payable	2,727	2,380	8,142	7,130
Interest amount payable to Ministry of Finance (KSA)	-	3,002	1,394	10,083
Others	185	1,644	1,848	3,743
	31,659	30,758	94,453	95,038

14. Taxation

	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2025	**2024**	**2025**	**2024**
	KD'000	**KD'000**	**KD'000**	**KD'000**
Contribution to Kuwait foundation for Advancement of Sciences (KFAS)	577	566	1,804	1,416
National Labour Support Tax (NLST)	-	1,257	-	3,039
Zakat*	1,095	1,601	4,103	4,644
Domestic minimum top-up tax (DMTT)	2,540	-	4,702	-
Taxation related to subsidiaries	7,987	5,537	19,416	13,744
	12,199	8,961	30,025	22,843

* Zakat for the current period represents Zakat expenses of overseas subsidiaries.

The Group is within the scope of the Organization for Economic Co-operation and Development (OECD) Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules, which require multinational enterprise (MNE) groups with consolidated revenues exceeding EUR 750 million to be subject to a minimum effective tax rate of 15% in each jurisdiction in which they operate.

The Group operates in various jurisdictions, out of those, from the material jurisdictions, only Kuwait, Bahrain, UAE and Netherlands have enacted the Pillar Two legislation. Further Netherlands has also adopted Income Inclusion Rule (IIR) and the Undertaxed Profits Rule (UTPR). Other jurisdictions are still in process of evaluating the implementation of the Pillar Two legislation.

On 31 December 2024, the State of Kuwait enacted Law No. 157 of 2024 (the Law) introducing a Domestic Minimum Top-Up Tax (DMTT) effective from 1 January 2025. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE group operating within Kuwait. The taxable income and effective tax rate are computed in accordance with the executive regulations issued through Ministerial Resolution No. 55 of 2025. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

15. Earnings per share

Basic and diluted earnings per share based on the weighted average number of shares outstanding during the period are as follows:

	Three months ended 30 September (Unaudited)		**Nine months ended 30 September (Unaudited)**	
	2025	**2024**	**2025**	**2024**
	KD'000	**KD'000**	**KD'000**	**KD'000**
Profit for the period attributable to shareholders of the Company	56,982	54,115	178,171	135,534
	Shares	**Shares**	**Shares**	**Shares**
Weighted average number of shares in issue outstanding during the period	4,327,058,909	4,327,058,909	4,327,058,909	4,327,058,909
	Fils	Fils	Fils	Fils
Earnings per share – basic and diluted	13	13	41	31

16. Segmental information

The Company and its subsidiaries operate in a single business segment, telecommunications and related services in Kuwait and other countries. This forms the basis of the geographical segments.

Based on the quantitative thresholds, the Group has identified telecom operations in Kuwait, Jordan, Sudan, Iraq, Bahrain and KSA as the basis for disclosing the segment information.

	30 September 2025							
	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Total
	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000
Segment revenues – airtime, data, subscriptions and other services (Point over time)	191,127	124,857	114,744	277,787	39,297	575,741	120,543	1,444,096
Segment revenues - trading income (Point in time)	94,739	10,381	2,715	10,872	10,126	86,375	20	215,228
Net profit before interest and tax	60,273	30,672	60,735	57,677	4,141	71,957	(597)	284,858
Interest income	2,815	139	843	414	199	950	2,381	7,741
Finance costs	(860)	(8,237)	(667)	(16,555)	(944)	(42,440)	(774)	(70,477)
Income tax expenses	(1,908)	(4,350)	(8,339)	(6,916)	-	-	(1,701)	(23,214)
	60,320	18,224	52,572	34,620	3,396	30,467	(691)	198,908
Unallocated items:								
Investment income								23,683
Share of results of associates and joint venture								21,041
Others (including unallocated interest income, income tax and finance costs net of eliminations)								(34,509)
Profit for the period								209,123
Segment assets including allocated goodwill	607,738	415,969	113,198	1,042,443	93,385	2,206,769	323,524	4,803,026
ROU assets	28,098	10,034	2,019	32,844	16,322	117,716	4,524	211,557
Unallocated items:								
Investment securities at FVTPL								78,066
Investment securities at FVOCI								13,449
Investment in associates and joint venture								228,349
Others (net of eliminations)								162,069
Consolidated assets								5,496,516
Segment liabilities	364,441	131,440	39,234	232,386	21,011	617,771	318,327	1,724,610
Lease liabilities (current and non-current)	25,178	12,386	1,458	40,707	16,795	146,724	4,484	247,732
Bank borrowings	-	90,552	-	205,597	-	665,185	2,567	963,901
	389,619	234,378	40,692	478,690	37,806	1,429,680	325,378	2,936,243
Unallocated items:								
Bank borrowings								784,188
Others (net of eliminations)								(168,477)
Consolidated liabilities								3,551,954
Net consolidated assets								1,944,562
Capital expenditure incurred during the period	55,956	12,541	22,763	50,182	3,507	54,821	12,981	212,751
Unallocated (net of eliminations)								1,635
Total capital expenditure								214,386
Depreciation of property and equipment and amortization of intangible assets	32,335	20,726	2,135	44,045	7,161	113,383	4,589	224,374
Amortization of ROU assets	6,891	1,128	520	3,229	2,852	19,521	649	34,790
Unallocated (net of elimination)								(894)
Total depreciation and amortization								258,270

Notes to the Condensed Consolidated Interim Financial Information - 30 September 2025 (Unaudited)

	30 September 2024							
	Kuwait	**Jordan**	**Sudan**	**Iraq**	**Bahrain**	**KSA**	**Others**	**Total**
	KD '000	**KD '000**	**KD '000**	**KD '000**	**KD '000**	**KD '000**	**KD '000**	**KD '000**
Segment revenues – airtime, data, subscriptions and other services (Point over time)	184,643	118,943	53,208	244,340	37,584	559,141	64,788	1,262,647
Segment revenues - trading income (Point in time)	95,273	7,122	1,863	1,306	9,150	68,028	66	182,808
Net profit before interest and tax	63,414	31,324	29,753	50,411	3,797	67,637	(8,201)	238,135
Interest income	2,214	283	936	619	230	2,171	144	6,597
Gain on sale and lease back transaction	-	-	-	-	-	1,727	-	1,727
Finance costs	(774)	(8,796)	(870)	(18,187)	(739)	(45,258)	(580)	(75,204)
Income tax expenses	-	(5,753)	(2,406)	(4,266)	-	-	(267)	(12,692)
	64,854	17,058	27,413	28,577	3,288	26,277	(8,904)	158,563
Unallocated items:								
Investment income								6,613
Share of results of associates and joint venture								759
Others (including unallocated interest income, income tax and finance costs net of eliminations)								(5,060)
Profit for the period								160,875
Segment assets including allocated goodwill	431,250	395,793	92,231	1,009,891	91,567	2,155,008	197,531	4,373,271
ROU assets	17,195	10,327	1,069	20,815	14,210	84,479	2,284	150,379
Unallocated items:								
Investment securities at FVTPL								41,209
Investment securities at FVOCI								14,986
Investment in associates and joint venture								205,475
Others (net of eliminations)								159,315
Consolidated assets								4,944,635
Segment liabilities	168,923	135,842	26,536	152,131	21,429	769,748	211,934	1,486,543
Lease liabilities (current and non-current)	21,537	12,595	1,156	28,961	14,450	113,158	2,127	193,984
Bank borrowings	-	79,395	-	200,037	-	472,907	1,631	753,970
	190,460	227,832	27,692	381,129	35,879	1,355,813	215,692	2,434,497
Unallocated items:								
Bank borrowings								641,970
Others (net of eliminations)								10,876
Consolidated liabilities								3,087,343
Net consolidated assets								1,857,292
Capital expenditure incurred during the period	21,866	3,864	21,244	11,622	1,435	33,565	9,750	103,346
Unallocated (net of eliminations)								784
Total capital expenditure								104,130
Depreciation and impairment of property and equipment and amortization of intangible assets	32,797	18,890	8,279	45,472	8,406	113,972	4,805	232,621
Amortization of ROU assets	5,605	1,054	551	2,518	2,727	16,818	394	29,667
Unallocated (net of elimination)								(631)
Total depreciation, amortization and impairment								261,657

17. Related party transactions

The Group has entered into transactions with related parties on terms approved by management. Transactions and balances with related parties (in addition to those disclosed in other notes) are as follows:

Transactions

	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2025	2024	2025	2024
	KD'000	KD'000	KD'000	KD'000
Revenue from Parent Company	4,982	3,041	14,179	7,339
Cost of sales from Parent Company	11,098	12,233	40,170	16,382
Operating expenses from Parent Company	3,459	1,032	12,798	2,329

Key management compensation

	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2025	2024	2025	2024
	KD'000	KD'000	KD'000	KD'000
Salaries and other short term employee benefits	780	715	2,319	2,215
Post-employment benefits	107	99	698	640

Balances

	Unaudited	Audited	Unaudited
	30 September 2025	31 December 2024	30 September 2024
	KD '000	KD '000	KD '000
Trade receivables (from parent company)	7,136	4,477	2,704
Trade payables (to parent company)	46,254	13,609	6,574

18. Commitments and contingencies

	Unaudited	Audited	Unaudited
	30 September 2025	31 December 2024	30 September 2024
	KD '000	KD '000	KD '000
Capital commitments	448,651	342,313	384,483
Uncalled share capital of investee companies	605	657	683
Letters of guarantee and credit	58,218	59,909	58,420

Atheer - Iraq

a. On 10 September 2023, the Communication and Media Commission of Iraq ("CMC") imposed a fine of US$ 75 million (KD 22.913 million) on Atheer for failing to meet 4G QoS ('Quality of Service') KPIs for the year 2022. Atheer believes that there is an error in the fine calculation regarding coverage obligation. On 9 October 2023, Atheer challenged the decision before the Appeals Board. On 13 June 2024, the Appeals Board issued a decision in favor of CMC. On 7th July 2024, Atheer submitted a petition to the Board of Commissioners (the legislative body of the CMC), articulating that the petition stems from a fundamental error, requesting them to cancel the fine. On 19 August 2024, the CMC rejected the petition and issued a demand to pay the fine amount. On 27 August 2024, the Atheer's attorneys filed another appeal, urging the Appeals Board to correct its decision on the grounds that it is fundamentally flawed as explained above.

   In August 2024, a new fine amounting to US$ 1 million (KD 0.306 million) was imposed by CMC for failing to meet 4G QoS KPIs for the second half of the year 2023. This amount is significantly lower as compared to the fine levied for year 2022 and first half of year 2023. Furthermore, a new QoS regulation is expected to be issued, which may support Atheer's case in challenging the fine.

   During the period ended 30 September 2025, the Appeals Board issued final and binding decisions on US$ 66.8 million (KD 20.407 million) out of the total US$ 75 million (KD 22.913 million) fine, reducing that portion to US$ 2.310 million (KD 0.706 million). These final outcomes reflect both the correction of material calculation errors and the application of the updated regulatory criteria. The decisions issued by the CMC Appeals Board are definitive, irrevocable, and carry full legal force. The remaining fine of US$ 8.200 million (KD 2.501 million) is currently under review by the Appeal Court, following a similar process and based on the new QoS regulations. Atheer believes that this remaining fine amount is expected to be reduced to approximately US$ 1 million (KD 0.306 million).

b. Newroz Telecom, based in the Kurdistan region, has initiated a preliminary lawsuit in the first instance court against Atheer and Huawei. The claim is predicated on allegations that the unlicensed installation of 4G equipment has caused harm to Newroz Telecom's infrastructure requesting US$ 50 million (KD 15.275 million) from Atheer and Huawei jointly. Atheer operates under a national license issued by the CMC, the competent federal authority. The CMC is anticipated to issue a statement to the court affirming Atheer's lawful nationwide authorization to provide 4G services, as well as confirming that Huawei holds the necessary credentials as an authorized vendor for the equipment supplied. Atheer has submitted both formal and substantive defenses and is currently awaiting the plaintiff's responses. The court has notified the plaintiff to reply to Atheer's statements. Based on the Atheer's attorneys report, the Group believes that Atheer has strong legal grounds and compelling arguments to successfully challenge and revoke the opposing claim.

Pella - Jordan

Pella is a defendant in multiple lawsuits amounting to KD 7.545 million (31 December 2024 – KD 7.606 million). Based on the report of its attorneys, the Group is of the view that the outcome of these proceedings will be favorable for Pella.

SMTC

a. SMTC received withholding tax ("WHT") assessments from Zakat, Tax and Customs Authority ("ZATCA") for an additional amount of SAR 100 million (KD 8.133 million) for certain withholding tax items for the years from 2015 to 2021. SMTC has appealed these assessments against the relevant committees. SMTC believes that the outcome of those appeals will be in its favor with no material financial impact.

b. SMTC was also subjected to WHT, for the years from 2012 to 2021, on International Interconnect traffic from ZATCA for payments made to International Operators and SMTC has received WHT assessment from ZATCA with respect to this. For the assessments received from ZATCA, SMTC has rejected these claims and appealed at various judiciary bodies against these assessments. In the process of appealing against these claims, SMTC had paid an amount of SAR 8.37 million (KD 0.683 million) and created a provision of SAR 148.18 million (KD 12.051 million).

   However, during the year ended 31 December 2024, SMTC received communication from ZATCA that the dues for WHT on International traffic will be borne by the Government. Accordingly, SMTC has reversed the provision of SAR 148.18 million (KD 12.051 million) during the previous year. The amount paid of SAR 8.37 million (KD

0.683 million) will be settled by SMTC with dues payable to ZATCA for other ongoing assessments. There is no change in the status during the period ended 30 September 2025.

c. In addition, legal proceedings have been initiated by and against the Group in some jurisdictions. On the basis of information currently available and the advice of the legal advisors, Group management is of the opinion that the outcome of these proceedings is unlikely to have a material adverse effect on the consolidated financial position or the consolidated performance of the Group.

19. Financial instruments

19.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the condensed consolidated interim statement of financial position are categorized as follows:

	Unaudited	Audited	Unaudited
	30 September 2025	31 December 2024	30 September 2024
	KD '000	KD '000	KD '000
Amortized costs:			
Bank and Cash balances	239,586	195,930	213,044
Bank balances held in customers' account	42,271	15,928	16,358
Trade and other receivables	971,178	876,248	858,648
Other assets	12,342	11,570	12,197
Investment securities at FVTPL	78,066	51,504	41,209
Investment securities at FVOCI	14,320	13,748	15,876

All financial liabilities are categorized as 'other than fair value through profit or loss'.

19.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the condensed consolidated interim statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

30 September 2025

	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value:				
Investments at FVTPL	-	8,915	69,151	78,066
Investments at FVOCI	3,639	2,865	7,816	14,320
Total assets	3,639	11,780	76,967	92,386

31 December 2024

	Level 1	Level 2	Level 3	Total
	KD '000	KD '000	KD '000	KD '000
Financial assets at fair value:				
Investments at FVTPL	-	8,368	43,136	51,504
Investments at FVOCI	3,174	2,891	7,683	13,748
Total assets	3,174	11,259	50,819	65,252

30 September 2024

	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value:				
Investments at FVTPL	-	9,431	31,778	41,209
Investments at FVOCI	2,930	2,877	10,069	15,876
Total assets	2,930	12,308	41,847	57,085

During the period, there were no transfers between any of the fair value hierarchy levels.

Fair values of financial assets and liabilities are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than 12-months), it is assumed that the carrying amounts approximate to their fair value.

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the year ended 31 December 2024 and 30 September 2024.

20. Hyperinflation – Zain South Sudan

Net monetary gain

The Republic of South Sudan economy had become hyperinflationary in 2016. Accordingly, the results, cash flows and financial position of the Group's subsidiary in South Sudan had been expressed in terms of the measuring unit current at the reporting date in accordance with IAS 29 Financial Reporting. The effect on the net monetary position is included in the condensed consolidated interim statement of profit or loss as 'net monetary gain'.

21. Derivative financial instruments

On 22 September 2020, SMTC entered into profit rate swaps, which matures in 2025. The maturity of the profit rate swap has been extended till the extended maturity of the refinanced loan. The average contracted fixed interest rate ranges from 2% to 3%. During the period, SMTC settled the loan resulting in the maturity of the profit rate swaps.

At 30 September 2025	Notional amounts by term to maturity		
	Positive fair value	Negative fair value	Notional amount
	KD ‘000	KD ‘000	KD ‘000
Derivatives held for hedging:			
Cash flow hedges - Receive 3-month SAIBOR, Pay fixed profit rate	-	-	-
Profit rate swaps (maturing after one year)			

At 31 December 2024	Notional amounts by term to maturity		
	Positive fair value	Negative fair value	Notional amount
	KD ‘000	KD ‘000	KD ‘000
Derivatives held for hedging:			
Cash flow hedges – Receive 3-month SAIBOR/SOFR, Pay fixed profit rate			
Profit rate swaps (maturing after one year)	2,342	-	157,747

At 30 September 2024	Notional amounts by term to maturity		
	Positive fair value	Negative fair value	Notional amount
	KD ‘000	KD ‘000	KD ‘000
Derivatives held for hedging:			
Cash flow hedges - Receive 3-month SAIBOR/SOFR, Pay fixed profit rate			
Profit rate swaps (maturing after one year)	4,052	-	156,038