Mobile Telecommunications Company K.S.C.P
Kuwait

Condensed Consolidated Interim Financial Information (Unaudited)
31 March 2026

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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. and its subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying 31 March 2026 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 31 March 2026, the condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting.*

Emphasis of matter

We draw attention to note 2.4 of the condensed consolidated interim financial information, which describes the management'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 conclusion is not modified in respect of this matter.

Report on review of other legal and regulatory requirements

Furthermore, based on our review, 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 three month period ended 31 March 2026 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, 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 three month period ended 31 March 2026 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: 11 May 2026

Mobile Telecommunications Company K.S.C.P
Kuwait

Condensed Consolidated Interim Statement of Financial Position as at 31 March 2026 (Unaudited)

	Note	Unaudited 31 March 2026 KD '000	Audited 31 December 2025 KD '000	Unaudited 31 March 2025 (Restated) KD '000
ASSETS				
Current assets				
Cash and cash equivalents	3	303,926	310,872	193,221
Bank balances held in customers' account	4	43,467	41,745	20,167
Trade and other receivables		1,195,467	1,168,637	1,121,805
Contract assets		103,318	98,357	89,053
Inventories		59,913	58,034	73,918
Investment securities at FVTPL		121,456	85,058	67,822
		1,827,547	1,762,703	1,565,986
Assets classified as held for sale	5	351,446	322,977	98,760
		2,178,993	2,085,680	1,664,746
Non-current assets				
Contract assets		80,953	84,476	76,876
Investment securities at FVOCI		13,109	12,833	14,035
Investments in associates and joint ventures	6	119,726	120,732	208,955
Other non-current assets		91,819	102,290	117,307
Right of use of assets		200,977	213,470	205,225
Property and equipment	7	1,320,344	1,369,986	1,175,639
Intangible assets and goodwill	8	1,910,439	1,924,772	1,972,776
		3,737,367	3,828,559	3,770,813
Total Assets		5,916,360	5,914,239	5,435,559
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		1,375,798	1,421,910	1,187,231
Contract liabilities		54,486	53,207	52,916
Income tax payables		29,201	27,733	21,730
Bank borrowings	9	270,570	277,157	576,382
Lease liabilities		41,631	40,194	31,157
		1,771,686	1,820,201	1,869,416
Liabilities classified as held for sale	5	96,038	80,883	36,100
		1,867,724	1,901,084	1,905,516
Non-current liabilities				
Bank borrowings	9	1,623,908	1,610,938	1,081,746
Lease liabilities		189,406	213,872	206,256
Contract liabilities		17,535	26,738	6,751
Other non-current liabilities	10	189,214	198,204	221,433
		2,020,063	2,049,752	1,516,186
Equity				
Attributable to owners of the Company				
Share capital	11.1	432,706	432,706	432,706
Share premium		1,261,937	1,261,937	1,707,164
Reserves	11.2	(429,311)	(479,948)	(853,253)
		1,265,332	1,214,695	1,286,617
Non-controlling interests		763,241	748,708	727,240
Total equity		2,028,573	1,963,403	2,013,857
Total Liabilities and Equity		5,916,360	5,914,239	5,435,559

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 11 May 2026.

Nour Nael Ahmed Al-Jassim
Chairperson

Bader Nasser Al Kharafi
Vice Chairman & Chief Executive Officer

Condensed Consolidated Interim Statement of Profit or Loss – 31 March 2026 (Unaudited)

	Note	Three months ended 31 March 2026 KD'000	Three months ended 31 March 2025 (Restated) KD'000
Revenue		569,378	539,316
Cost of sales*		(199,550)	(188,343)
Operating and administrative expenses		(177,210)	(171,416)
Expected credit loss (ECL) on financial assets		(10,825)	(7,160)
Depreciation and amortization		(89,607)	(87,257)
Interest income		2,959	1,284
Investment income	12	37,692	16,085
Share of results of associates and joint ventures		(105)	1,136
Other income / (expenses)		7,680	(11,207)
Finance costs	13	(29,784)	(30,915)
Foreign exchange (loss) / gain		(8,148)	728
Net monetary gain	20	1,847	6,842
Profit before taxation and Board of Directors' remuneration		104,327	69,093
Taxation	14	(10,896)	(7,848)
Board of Directors' remuneration		(170)	(135)
Profit for the period		93,261	61,110
Attributable to:			
Owners of the Company		79,783	53,264
Non-controlling interests		13,478	7,846
		93,261	61,110
Earnings per share (EPS)			
Basic and diluted – Fils	15	18	12

*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 – 31 March 2026 (Unaudited)

	Three months ended 31 March	
	2026	**2025 (Restated)**
	KD'000	**KD'000**
Profit for the period	93,261	61,110
Other comprehensive loss		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign exchange differences on translating foreign operations	(26,636)	6,470
Other reserves	-	(654)
	(26,636)	5,816
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain on investments in equity instruments designated as at FVOCI	573	290
Other comprehensive (loss) / income for the period	(26,063)	6,106
Total comprehensive income for the period	67,198	67,216
Total comprehensive income attributable to:		
Owners of the Company	51,368	59,145
Non-controlling interests	15,830	8,071
	67,198	67,216

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

Condensed Consolidated Interim Statement of Changes in Equity – Three months ended 31 March 2026 (Unaudited)

	Equity attributable to owners of the Company				
	Share capital	Share premium	Reserves (note 11.2)	Non -controlling interests	Total Equity
	KD '000	KD '000	KD '000	KD '000	KD '000
Balance at 1 January 2026	432,706	1,261,937	(479,948)	748,708	1,963,403
Profit for the period	-	-	79,783	13,478	93,261
Other comprehensive (loss) / income for the period	-	-	(28,415)	2,352	(26,063)
Total comprehensive income for the period	-	-	51,368	15,830	67,198
Transactions with shareholders of the Company, recognized directly in equity:					
Cash dividends to non-controlling interest of subsidiaries (2025)	-	-	-	(931)	(931)
Acquisition of additional stake in a subsidiary	-	-	(731)	(366)	(1,097)
Balance at 31 March 2026	432,706	1,261,937	(429,311)	763,241	2,028,573
Balance at 1 January 2025 (as reported)	432,706	1,707,164	(912,183)	734,204	1,961,891
Impact of hyperinflation adjustments	-	-	(215)	215	-
Balance at 1 January 2025 (restated)	432,706	1,707,164	(912,398)	734,419	1,961,891
Profit for the period (restated)	-	-	53,264	7,846	61,110
Other comprehensive income for the period (restated)	-	-	5,881	225	6,106
Total comprehensive income for the period (restated)	-	-	59,145	8,071	67,216
Transactions with shareholders of the Company, recognized directly in equity:					
Cash dividends to non-controlling interest of subsidiaries (2024)	-	-	-	(15,250)	(15,250)
Balance at 31 March 2025 (restated)	432,706	1,707,164	(853,253)	727,240	2,013,857

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

Condensed Consolidated Interim Statement of Cash Flows – Three months ended 31 March 2026 (Unaudited)

	Note	Three months ended 31 March 2026 KD'000	Three months ended 31 March 2025 (Restated) KD'000
Cash flows from operating activities			
Profit before taxation and Board of Directors' remuneration		104,327	69,093
Adjustments for:			-
Depreciation and amortization		89,607	87,257
ECL on financial assets		10,825	7,160
Interest income		(2,959)	(1,284)
Investment income	12	(37,692)	(16,085)
Share of results of associates and joint ventures		105	(1,136)
Finance costs	13	29,784	30,915
Foreign currency loss / (gain)		8,148	(728)
Net monetary gain	20	(1,847)	(6,842)
Gain on sale of property and equipment		(29)	(4)
Operating cash flow before working capital changes		200,269	168,346
Increase in bank balances held in customers' account		(1,854)	(4,231)
Increase in trade and other receivables and contract assets		(40,571)	(123,200)
(Increase) / decrease in inventories		(2,031)	4,066
(Decrease) / increase in trade and other payables		(17,547)	73,040
Cash flows generated from operations		138,266	118,021
Income tax paid		(1,150)	(1,863)
Net cash flows from operating activities		137,116	116,158
Cash flows from investing activities			
Deposits maturing after three months, cash at banks under lien and government certificates of deposits	3	23,247	(2,328)
Investments in securities		(387)	(215)
Proceeds from sale of investment securities		1,825	-
Acquisition of additional stake in a subsidiary		(1,097)	-
Acquisition of property and equipment (net)		(55,342)	(49,278)
Acquisition of intangible assets (net)		(21,187)	(26,968)
Interest received		2,256	1,127
Net cash flows used in investing activities		(50,685)	(77,662)
Cash flows from financing activities			
Proceeds from bank borrowings	9	32,330	174,415
Repayment of bank borrowings	9	(17,341)	(21,324)
Repayment of government payables		(22,962)	(159,155)
Repayment of lease liabilities		(13,594)	(9,634)
Dividend paid to Company's shareholders		(171)	(232)
Dividend paid to minority shareholders of subsidiaries		-	(3,084)
Finance costs paid		(25,064)	(24,017)
Net cash flows used in financing activities		(46,802)	(43,031)
Net increase / (decrease) in cash and cash equivalents		39,629	(4,535)
Effect of foreign currency translation		(12,627)	(502)
Cash and cash equivalents at beginning of period		272,219	193,639
Cash and cash equivalents at end of period	3	299,221	188,602

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 with commercial registration number 36025. 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 and joint ventures provide mobile telecommunication services in Kuwait and 7 other countries (31 December 2025 - Kuwait and 7 other countries; 31 March 2025 - 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 three months ended 31 March 2026 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 2025 ("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 consolidated 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. 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 2026. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended 31 December 2025.

2.1 Standards, amendments and interpretations applicable during the period

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 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and improvements apply for the first time in 2026, but do not have a significant impact on the condensed consolidated interim financial information of the Group as follows:

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no material impact on the Group's condensed consolidated interim financial information.

Contracts referencing nature dependent electricity

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments had no material impact on the Group's condensed consolidated interim financial information.

Annual improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1: First-time Adoption of International Financial Reporting Standards, IFRS 7: Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9: Financial Instruments, IFRS 10: Consolidated Financial Statements and IAS 7: Statement of Cash Flows.

The amendments had no material impact on the Group's condensed consolidated interim financial information.

Standards, amendments and interpretations issued but not effective

At the date of authorization of this condensed consolidated interim financial information, the Group has not applied the following new and revised IFRS Standards and interpretations that have been issued but are not yet effective:

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

- IFRS 19: Subsidiaries without Public Accountability: Disclosures (1 January 2027);
- Translation to a hyperinflationary presentation currency – Amendments to IAS 21 (1 January 2027);
- Amendments to illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 (To be determined); and
- Sale or Contribution of assets between an Investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28 (To be determined)

2.2 Significant judgments and estimates

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect 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 2025. However, the geo-political developments in the Middle East since late February 2026 have increased economic and market uncertainty across GCC countries, including in the State of Kuwait. These events have contributed to heightened volatility in the financial markets and may impact the measurements of Group's assets. The management has considered the potential effects of this evolving situation in its assessment of fair values and other estimates, based on the available information as of the reporting date. Given the dynamic nature of these developments, the extent of financial impact remains uncertain and may impact future results. Accordingly, the management will continue to monitor the situation and reassess its judgments and estimates as further information becomes available.

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.

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. Therefore, the Group did not account for its operations in Sudan using IAS 29. Sudan has been again declared as hyperinflationary in 2018.

Based on the above matters, during the year ended 31 December 2025, the Group reassessed the situation in Sudan and concluded that the economy of Sudan has been hyperinflationary from 1 January 2015 (cumulative three-year inflation exceeding 100% since 2015). Accordingly, the Group, had decided to apply IAS 29 retrospectively from the beginning of 2015 for its subsidiaries in Sudan. The Group therefore restated comparative information as detailed in note 22.

The methods used to measure the adjustments made to the accounts of Group's entities that operate in the hyperinflationary economies (Sudan and South Sudan) are mentioned in note 20 and 22.

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 the 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 services 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 the Group's operations in Sudan may encounter disruptions for an indeterminate duration. This represents an uncertainty that is beyond the control of the Group.

After evaluating the revised forecasts, management has examined Zain Sudan's capability to operate as a going concern at the time of releasing the condensed consolidated interim financial information. As a result, it has been determined that there are no significant uncertainties that could impede 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.

Accordingly, the management of Zain Sudan has concluded that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

3. Cash and cash equivalents

Cash and cash equivalents include the following:

	Unaudited 31 March 2026	Audited 31 December 2025	Unaudited 31 March 2025
	KD '000	KD '000	KD '000
Cash on hand and at banks	195,464	182,176	166,498
Short-term deposits with banks	117,767	140,206	44,758
Government certificates of deposits held by subsidiaries	2	2	2
	313,233	322,384	211,258
Expected credit loss	(9,307)	(11,512)	(18,037)
Cash and cash equivalents as per condensed consolidated interim statement of financial position	303,926	310,872	193,221
Cash at banks under lien*	(1,849)	(25,096)	(4,617)
Bank Overdrafts	(2,854)	(13,555)	-
Government certificates of deposits with maturities exceeding three months held by subsidiaries	(2)	(2)	(2)
Cash and cash equivalents in the condensed consolidated interim statements of cash flows	299,221	272,219	188,602

*Cash at banks under lien mainly includes bank deposits held under lien by banks for letters of credit (LOC) issued by a subsidiary in Sudan in favor of a vendor.

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 cash and cash equivalents 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 co-mingled with the Group's cash and cash equivalents.

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

5.1 Assets and liabilities classified as held for sale

Iraq

During the three-month period ended 31 March 2026, the Group further classified certain network equipment amounting to US$ 18.922 million (KD 5.779 million) as held for sale (31 March 2025 – nil), on the basis that management is committed to a plan to sell this network equipment to a vendor. During the three-month period ended 31 March 2026, the Group sold network equipment amounting to US$ 1.204 million (KD 0.369 million) (31 March 2025 – nil) and the sale of the remaining network equipment classified held for sale is expected to be completed within one year from the date of such classification.

Further during the period, the Group classified tower assets amounting to US$ 24.249 million (KD 7.442 million) (31 March 2025 – nil), right of use assets amounting to US$ 51.946 million (KD 15.942 million) (31 March 2025 – nil) and lease liabilities amounting to US$ 49.897 million (KD 15.314 million) (31 March 2025 – nil) directly associated to sale and lease back arrangement with a related party as held for sale and ceased depreciation of these assets from the date of such classification. Under the terms of the arrangement, the Group will sell its passive physical towers infrastructure and while retaining all other wireless communication antennas, software, technology, and intellectual property (IPs).

The fair value of disposal group held for sale comprises of telecom tower assets and right of use assets and its related lease liabilities classified as held for sale.

	Unaudited 31 March 2026 KD '000	Audited 31 December 2025 KD '000	Unaudited 31 March 2025 KD '000
Telecom tower assets	23,397	10,545	-
Right of use assets	15,942	-	-
	39,339	10,545	-
Lease liabilities	15,314	-	-

5.2 **Discontinued operations – IHS**

In December 2024, IHS became a wholly owned subsidiary of the Group (previously accounted for as an associate with a 30% interest) and was classified as held for sale upon acquisition. As at 31 March 2026, the disposal process remained ongoing and the Group continues to actively pursue the sale, which is considered highly probable. Accordingly, IHS continues to be classified as held for sale as at 31 March 2026.

The related assets and liabilities are presented below:

	Unaudited 31 March 2026 KD '000	Audited 31 December 2025 KD '000	Unaudited 31 March 2025 KD '000
Fair value less cost to sell	62,660	62,660	62,660
Total liabilities of IHS	24,391	25,274	36,100
Total assets of IHS	87,051	87,934	98,760

IHS is engaged in the business of tower infrastructure services in Kuwait.

TASC

In Q4 2025, TASC Board approved the appointment of a Group representative as Chief Executive Officer. In addition, the Group increased its ownership interest in TASC from 92.87% to 99.64% for purchase consideration of US$30.875 million (KD 9.476 million). Based on these developments, the Group concluded that it obtained control over TASC and, accordingly, accounted for TASC as a subsidiary of the Group.

Details of TASC acquisition (representing a subsidiary acquired exclusively with a view to resale) are as follows:

	KD '000
Consideration transferred in cash	9,476
Acquisition date fair value of the previously held equity interest	130,280
Total purchase consideration	139,756

The related assets and liabilities are presented below:

	Unaudited 31 March 2026 KD '000	Audited 31 December 2025 KD '000
Fair value less cost to sell	139,392	139,756
Non-controlling interest	15,115	15,154
Total liabilities of TASC	70,549	69,588
Total assets of TASC	225,056	224,498

In December 2023, the Group entered into definitive agreements with Ooredoo Group Q.P.S.C ("Ooredoo") to combine both parties' passive infrastructure (tower) assets through a cash-and-share transaction. Under the proposed structure, the Group and Ooredoo will each contribute assets and cash to a newly formed tower company and are expected to retain an equal equity interest in this company. The transaction (including initial market closings) is in progress and is expected to be completed in 2026.

TASC and IHS are expected to be included in the transaction as part of the Group's tower assets. Accordingly, the Group intends to dilute its ownership interests in TASC and IHS within 12 months and continues to actively engage with potential buyers. On this basis, TASC and IHS are classified as held for sale.

6. Investments in associates and joint ventures

6.1 Investments in associates

TASC

In Q4 2025, the Group concluded that it obtained control over TASC and, accordingly, accounted for TASC as a subsidiary of the Group classified as held for sale (previously an associate of the Group) (refer note 5.2).

6.2 Investments in joint ventures

Investments in joint ventures primarily include:

	Unaudited		Audited		Unaudited	
	31 March 2026		31 December 2025		31 March 2025	
	%	KD '000	%	KD '000	%	KD '000
Zain Al Ajial S.A. ("Zain Ajial")	50	119,216	50	119,216	50	91,541
		119,216		119,216		91,541

The Group has an interest in Zain Al Ajial S.A., a joint venture that owns 31% of the equity shares in Wana Corporate (a Moroccan joint stock company that is specialized in the telecom sector in that country). This underlying investment is accounted for at fair value through profit or loss in the joint venture. This investment materially represents the total assets of the joint venture. The investment in joint venture is accounted for using the equity method.

7. Property and equipment

	Unaudited	Audited	Unaudited
	31 March 2026	31 December 2025	31 March 2025 (Restated)
	KD '000	KD '000	KD '000
Net fixed assets	976,492	945,061	900,328
Capital work in progress	343,852	424,925	275,311
	1,320,344	1,369,986	1,175,639

During the three-months period ended 31 March 2026, the Group acquired property and equipment amounting to KD 34.051 million (31 March 2025: KD 30.924 million). Depreciation charged for the period amounted to KD 47.341 million (31 March 2025 (restated): KD 47.812 million).

8. Intangible assets and goodwill

	Unaudited 31 March 2026	Audited 31 December 2025	Unaudited 31 March 2025 (Restated)
	KD '000	KD '000	KD '000
Intangible assets	1,354,657	1,370,436	1,425,479
Goodwill	538,729	538,745	535,087
Capital work in progress	17,053	15,591	12,210
	1,910,439	1,924,772	1,972,776

During the three-months period ended 31 March 2026, the Group acquired intangible assets amounting to KD 5.376 million (31 March 2025: 43.811 million). Amortization charged for the period amounted to KD 30.763 million (31 March 2025 (restated): KD 28.197 million).

9. Bank borrowings

	Unaudited 31 March 2026	Audited 31 December 2025	Unaudited 31 March 2025
	KD '000	KD '000	KD '000
Company			
Short term loans	52,647	52,751	40,053
Long term loans	839,530	829,674	661,847
	892,177	882,425	701,900
Mobile Telecommunications Company Saudi Arabia ("SMTC")			
Short term loans	-	13,845	41,120
Long term loans	687,150	683,484	626,825
	687,150	697,329	667,945
Pella Investment Company ("Pella")			
Short term loans	5,717	8,884	7,311
Long term loans	102,585	81,287	80,114
	108,302	90,171	87,425
Atheer Telecom Iraq Limited ("Atheer")			
Bank overdrafts	2,854	13,555	26
Long term loans	199,885	200,405	199,032
	202,739	213,960	199,058
Others			
Short term loans	3,318	710	349
Long term loans	792	3,500	1,451
	4,110	4,210	1,800
	1,894,478	1,888,095	1,658,128

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

	Unaudited 31 March 2026	Audited 31 December 2025	Unaudited 31 March 2025
	KD '000	KD '000	KD '000
Opening balance	1,888,095	1,490,352	1,490,352
Proceeds from bank borrowings	32,330	848,266	174,415
Repayment of bank borrowings	(17,341)	(479,447)	(21,324)
Net (repayment)/proceeds from bank overdraft	(10,701)	13,555	-
Increase in bank borrowings due to vendor financing arrangement (non-cash item)	-	21,562	13,916
Effect of change in foreign exchange rates	2,095	(6,193)	769
	1,894,478	1,888,095	1,658,128

The current and non-current amounts are as follows:

	Unaudited 31 March 2026 KD '000	Audited 31 December 2025 KD '000	Unaudited 31 March 2025 KD '000
Current liabilities	270,570	277,157	576,382
Non-current liabilities	1,623,908	1,610,938	1,081,746
	1,894,478	1,888,095	1,658,128

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

	Unaudited 31 March 2026 KD '000	Audited 31 December 2025 KD '000	Unaudited 31 March 2025 KD '000
US dollar	403,615	393,778	467,222
Kuwaiti dinar	783,287	773,252	587,389
Saudi Riyals	687,150	697,329	594,406
Jordanian Dinar	9,750	13,702	9,111
Others	10,676	10,034	-
	1,894,478	1,888,095	1,658,128

The average effective interest rate as at 31 March 2026 was 4.86% (31 December 2025 – 5.58%; 31 March 2025 – 5.75%) 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; and
- 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, the Company has:

1) drawn down loans amounting to KD 10 million from the loan facilities (31 December 2025 - KD 195.750 million, 31 March 2025: KD Nil)
   - KD 10 million of revolving credit facility amounting to KD 420 million
2) repaid loans amounting to KD 0.068 million (31 December 2025 – KD 15.417 million, 31 March 2025: KD 0.052 million).

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

SMTC

Term loans include:

1) In 2025, SMTC obtained a new Islamic Shariah compliant facility amounting to SAR 1,934 million (KD 158.298 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 92.081 million) to fund for the CAPEX payment against several projects.

   SMTC have availed SAR 1,012.210 million (KD 82.849 million) (31 December 2025: SAR 1,012.210 million equivalent to KD 82.434 million, 31 March 2025: SAR 916.700 million equivalent to KD 75.389 million) of the CAPEX facility as at the reporting period.

   The interest amounting to SAR 15.97 million (KD 1.307 million) (31 December 2025: SAR 59.310 million equivalent to KD 4.831 million, 31 March 2025: SAR 12.690 million equivalent to KD 1.044 million) has been capitalized by SMTC during the period, based on effective interest rate of the loan.

3) In 2025, a subsidiary of SMTC availed working capital Murabaha facility of SAR 200 million (KD 16.370 million) to fund for the short-term expenditure and be repayable within twelve months. As at 31 March 2026, the total unutilized portion of this facility amounts to SAR 200 million (KD 16.370 million) (31 December 2025: SAR 30 million (KD 2.443 million, 31 March 2025: Nil).

4) In 2025, SMTC signed SAR 5,500 million (KD 450.175 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 matured on 30 September 2025, amounting to SAR 4,700.800 million (KD 382.833 million) and SAR 500 million (KD 40.720 million). Unused facility amounting to SAR 300 million (KD 24.555 million) is withdrawn for CAPEX payment in line with SMTC's CAPEX needs. The loan is repayable after one year grace period and in accordance with the terms of the agreement.

   The interest amounting to SAR 4.23 million (KD 0.346) has been capitalized by SMTC during the period based on effective interest rate of the loan (31 December 2025: Nil, 31 March 2025: Nil).

Pella

Long term loans mainly include:

1) US$ 210 million (KD 64.449 million) (31 December 2025 – US$ 160 million equivalent to KD 49.232 million, 31 March 2025 – US$ 160 million equivalent to KD 49.296 million) term loan from a commercial bank which is repayable by 23 September 2030.

2) US$ 120 million (KD 36.828 million) (31 December 2025 – US$ 100 million equivalent to KD 30.770 million, 31 March 2025 – US$ 100 million equivalent to KD 30.810 million) term loan from a commercial bank which is repayable by 31 August 2030.

Atheer

Long-term loans include:

1) US$ 105 million (KD 32.225 million) (31 December 2025 – US$ 105 million equivalent to KD 32.309 million, 31 March 2025 – US$ 105 million equivalent to KD 32.351 million) term loan from a commercial bank which is repayable by 30 June 2026.

2) US$ 131 million (KD 40.204 million) (31 December 2025 – US$ 131 million equivalent to KD 40.309 million, 31 March 2025 – US$ 131 million equivalent to KD 40.361 million) revolving credit facilities from a commercial bank which is repayable by 17 December 2027.

3) US$ 100 million (KD 30.690 million (31 December 2025 – US$ 100 million equivalent to KD 30.770 million,31 March 2025 – US$ 100 million equivalent to KD 30.810 million) term loan from a commercial bank which is repayable by 30 July 2026.

4) US$ 60 million (KD 18.414 million) (31 December 2025 – US$ 60 million equivalent to KD 18.462 million, 31 March 2025 – US$ 85 million equivalent to KD 26.189 million) revolving credit facilities from a commercial bank which is repayable by 24 April 2027.

5) US$ 125 million (KD 38.363 million) (31 December 2025 – US$ 125 million equivalent to KD 38.463 million, 31 March 2025 – US$ 125 million equivalent to KD 38.513 million) term loan from a commercial bank which is repayable by 01 May 2029.

6) US$ 100 million (KD 30.690 million) ((31 December 2025 – US$ 100 million equivalent to KD 30.770 million, 31 March 2025 – US$ 100 million equivalent to KD 30.810 million) term loan from a commercial bank which is repayable by 19 August 2027.

7) IQD 40 billion (KD 9.300 million) (31 December 2025 – IQD 40 billion equivalent to KD 9.324 million, 31 March 2025 – Nil) term loan from a commercial bank which is repayable by 08 April 2027. The facility is guaranteed by the Al Khatem Telecoms Company ('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 31 March 2026 KD '000	Audited 31 December 2025 KD '000	Unaudited 31 March 2025 KD '000
Due for acquisition of spectrum	124,125	137,418	161,947
Customer deposits	3,444	2,593	2,557
Post-employment benefits	61,635	58,193	56,921
Others	10	-	8
	189,214	198,204	221,433

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 31 March 2026 is 4,327,058,909 shares (31 December 2025 – 4,327,058,909; 31 March 2025 - 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 2026	216,353	(682,030)	(16,083)	1,812	-	(479,948)
Profit for the period	-	-	-	-	79,783	79,783
Other comprehensive (loss) / income for the period	-	(28,997)	573	9	-	(28,415)
Total comprehensive (loss) / income for the period	-	(28,997)	573	9	79,783	51,368
Transactions with shareholders of the Company, recognized directly in equity:						
Acquisition of additional stake in a subsidiary	-	-	-	-	(731)	(731)
Balance at 31 March 2026	216,353	(711,027)	(15,510)	1,821	79,052	(429,311)
Balance at 1 January 2025 (as reported)	216,354	(1,633,480)	(13,994)	2,050	516,887	(912,183)
Impact of hyperinflation adjustments	-	940,485	-	-	(940,700)	(215)
Balance at 1 January 2025 (restated)	216,354	(692,995)	(13,994)	2,050	(423,813)	(912,398)
Profit for the period (restated)	-	-	-	-	53,264	53,264
Other comprehensive income/ (loss) for the period (restated)	-	5,832	290	(241)	-	5,881
Total comprehensive income/ (loss) for the period (restated)	-	5,832	290	(241)	53,264	59,145
Balance at 31 March 2025	216,354	(687,163)	(13,704)	1,809	(370,549)	(853,253)

11.3 Dividend

During 2025, the Board of Directors, in their meetings held on 12 August 2025 and 28 October 2025, declared two interim cash dividend distributions of 10 fils per share and 25 fils per share respectively, totaling 35 fils per share for the year 2025 (31 December 2024 – 35 fils per share).

12. Investment income

	Three months ended 31 March (Unaudited)	
	2026	2025
	KD'000	KD'000
Gain from investment securities mandatorily at FVTPL	524	206
Gain from investment securities designated at inception as FVTPL*	37,168	15,879
	37,692	16,085

* These mainly represent unrealized gains from private equity investments.

13. Finance costs

	Three months ended 31 March (Unaudited)	
	2026	2025 (restated)
	KD'000	KD'000
Interest on bank borrowings	22,477	21,747
Finance cost on lease liabilities	4,415	4,221
Interest relating to license and spectrum payable	2,549	2,727
Interest amount payable to Ministry of Finance (KSA)	-	1,394
Others	343	826
	29,784	30,915

14. Taxation

	Three months ended 31 March (Unaudited)	
	2026	2025 (Restated)
	KD'000	KD'000
Contribution to Kuwait foundation for Advancement of Sciences (KFAS)	808	491
Zakat*	2,116	1,639
Domestic minimum top-up tax (DMTT)	940	-
GloBE Tax (IIR/ UTPR)	350	888
Taxation related to subsidiaries	6,682	4,830
	10,896	7,848

* Zakat represents Zakat expenses of overseas subsidiaries.

The Group is within the scope of the OECD Pillar Two Global Anti-Base Erosion ("GloBE") rules, which introduce a minimum effective tax rate of 15% on a jurisdictional basis. In the State of Kuwait, Law No. 157 of 2024 (the Law) introducing a Domestic Minimum Top-up Tax ("DMTT") became effective from 1 January 2025. The Law effectively replaced National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within scope. During the period, the Group recognized current tax expense in respect of DMTT in Kuwait and GloBE top-up taxes arising under the Income Inclusion Rule (IIR) and Undertaxed Profits Rule (UTPR), where applicable.

The Group continues to monitor the implementation of Pillar Two rules across jurisdictions in which it operates. The exposure to future top-up taxes is dependent on the effective tax rates and implementation of local legislation in those jurisdictions.

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 31 March (Unaudited)	
	2026	**2025 (Restated)**
	KD'000	**KD'000**
Profit for the period attributable to shareholders of the Company	79,783	53,264
	Shares	**Shares**
Weighted average number of shares in issue outstanding during the period	4,327,058,909	4,327,058,909
	Fils	**Fils**
Earnings per share – basic and diluted	18	12

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.

Notes to the Condensed Consolidated Interim Financial Information - 31 March 2026 (Unaudited)

	31 March 2026							
	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)	64,730	41,385	47,245	96,967	13,378	197,767	50,747	512,219
Segment revenues - trading income (Point in time)	27,207	3,966	916	2,545	3,674	18,839	12	57,159
Net profit before interest and tax	17,364	9,944	19,541	16,463	1,187	27,887	(3,353)	89,033
Interest income	211	20	440	28	84	643	1,263	2,689
Finance costs	(265)	(2,493)	(340)	(5,486)	(313)	(12,146)	(363)	(21,406)
Income tax expenses	(940)	(1,803)	(2,521)	(2,011)	-	-	(601)	(7,876)
	16,370	5,668	17,120	8,994	958	16,384	(3,054)	62,440
Unallocated items:								
Investment income								37,692
Share of results of associates and joint ventures								(106)
Others (including unallocated interest income, income tax and finance costs net of eliminations)								(6,765)
Profit for the period								93,261
Segment assets including allocated goodwill	622,476	426,286	166,042	1,142,676	98,113	2,239,411	481,053	5,176,057
ROU assets	26,440	9,890	4,733	24,542	16,518	114,422	4,432	200,977
Unallocated items:								
Investment securities at FVTPL								121,456
Investment securities at FVOCI								12,227
Investment in associates and joint ventures								119,216
Others (net of eliminations)								286,427
Consolidated assets								5,916,360
Segment liabilities	417,913	113,124	65,869	312,295	25,505	589,542	461,750	1,985,998
Lease liabilities (current and non-current)	24,332	12,259	1,801	32,422	17,003	138,372	4,848	231,037
Bank borrowings	-	108,302	-	202,739	-	687,150	4,110	1,002,301
	442,245	233,685	67,670	547,456	42,508	1,415,064	470,708	3,219,336
Unallocated items:								
Bank borrowings								892,177
Others (net of eliminations)								(223,726)
Consolidated liabilities								3,887,787
Net consolidated assets								2,028,573
Capital expenditure incurred during the period	4,067	572	18,604	7,750	122	5,732	2,562	39,409
Unallocated (net of eliminations)								18
Total capital expenditure								39,427
Depreciation of property and equipment and amortization of intangible assets	11,650	7,140	2,064	15,452	2,350	37,856	1,627	78,139
Amortization of ROU assets	2,207	395	254	981	946	6,474	237	11,494
Unallocated (net of elimination)								(26)
Total depreciation and amortization								89,607

Notes to the Condensed Consolidated Interim Financial Information - 31 March 2026 (Unaudited)

	31 March 2025 (Restated)							
	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)	61,978	40,343	35,342	86,154	12,845	191,010	39,527	467,199
Segment revenues - trading income (Point in time)	31,540	3,194	751	2,064	4,329	30,232	7	72,117
Net profit before interest and tax	18,125	9,544	23,868	14,979	1,197	21,686	2,277	91,676
Interest income	83	56	169	147	73	356	60	944
Finance costs	(280)	(2,709)	(249)	(5,344)	(312)	(14,415)	(192)	(23,501)
Income tax expenses	-*	(1,261)	(2,586)	(1,689)	-	-	(116)	(5,652)
	17,928	5,630	21,202	8,093	958	7,627	2,029	63,467
Unallocated items:								
Investment income								16,085
Share of results of associates and joint venture								1,056
Others (including unallocated interest income, income tax and finance costs net of eliminations)								(19,498)
Profit for the period								61,110
Segment assets including allocated goodwill	596,061	421,130	107,668	1,051,096	96,018	2,273,276	246,610	4,791,859
ROU assets	28,331	10,442	1,322	26,782	16,952	119,049	2,347	205,225
Unallocated items:								
Investment securities at FVTPL								67,822
Investment securities at FVOCI								13,142
Investment in associates and joint venture								208,210
Others (net of eliminations)								149,301
Consolidated assets								5,435,559
Segment liabilities	391,231	139,521	47,723	229,096	25,505	659,937	252,920	1,745,933
Lease liabilities (current and non-current)	25,947	12,751	1,357	34,627	17,242	143,158	2,331	237,413
Bank borrowings	-	87,425	-	199,058	-	667,945	1,800	956,228
	417,178	239,697	49,080	462,781	42,747	1,471,040	257,051	2,939,574
Unallocated items:								
Bank borrowings								701,900
Others (net of eliminations)								(219,772)
Consolidated liabilities								3,421,702
Net consolidated assets								2,013,857
Capital expenditure incurred during the period	8,983	347	8,900	6,288	780	41,436	7,739	74,473
Unallocated (net of eliminations)								262
Total capital expenditure								74,735
Depreciation of property and equipment and amortization of intangible assets	10,935	7,108	816	15,616	2,333	37,989	1,431	76,228
Amortization of ROU assets	2,255	365	197	992	949	6,375	115	11,248
Unallocated (net of elimination)								(219)
Total depreciation and amortization								87,257

* Income tax expense for Kuwait is included under unallocated.

17. Related party transactions and balances

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 31 March (Unaudited)	
	2026	2025
	KD'000	KD'000
Revenue from Parent Company	5,188	4,933
Cost of sales from Parent Company	31,725	14,663
Operating expenses from Parent Company	450	5,749

Key management compensation

	Three months ended 31 March (Unaudited)	
	2026	2025
	KD'000	KD'000
Salaries and other short term employee benefits	876	771
Post-employment benefits	900	484

Balances

	Unaudited	Audited	Unaudited
	31 March 2026	31 December 2025	31 March 2025
	KD '000	KD '000	KD '000
Trade receivables (from parent company)	19,338	20,706	1,861
Trade payables (to parent company)	52,858	44,020	18,195

18. Commitments and contingencies

	Unaudited	Audited	Unaudited
	31 March 2026	31 December 2025	31 March 2025
	KD '000	KD '000	KD '000
Capital commitments	310,398	303,921	362,658
Uncalled share capital of investee companies	237	610	479
Letters of guarantee and credit	59,308	59,795	57,550

Atheer - Iraq

a. On 10 September 2023, the Communication and Media Commission of Iraq ("CMC") imposed a fine of US$ 75 million (KD 23.018 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, 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 0.307 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 year ended 31 December 2025, the Appeals Board issued final and binding decisions on US$ 66.8 million (KD 20.501 million) out of the total US$ 75 million (KD 23.018 million) fine, reducing that portion to US$ 2.310 million (KD 0.709 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 2.517 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 0.307 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 15.345 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 7.515 million (31 December 2025 – KD 7.581 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 8.185 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 0.685 million) and created a provision of SAR 148.18 million (KD 12.129 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 12.129 million) during 2024. The amount paid of SAR 8.37 million (KD 0.685 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 31 March 2026.

Kuwait

In 2023, following the favorable judgments issued by the Court of First Instance and the Court of Appeal, the Group received KD 24.680 million from the telecommunications regulator in Kuwait in respect of the regulatory tariff (number range) legal case and recognized the amount in the consolidated statement of profit or loss for the year ended 31 December 2023. On 13 January 2026, the Court of Cassation annulled the judgment under appeal on the basis that the Commercial Circuit lacked jurisdiction and referred the matter to the competent Administrative Circuit for determination. Accordingly, the Group recognized appropriate provisions as at 31 December 2025 to reflect this development. The proceedings remain ongoing, and the outcome cannot be determined at this stage. There is no change in the status during the period ended 31 March 2026.

During 2018, the Group filed a case before the Court of First Instance against the Ministry of Finance, contesting the NLST assessment of KD 23.9 million issued for the year ended 31 December 2010. The claim was dismissed by the Court of First Instance and subsequently by the Court of Appeal. The Group filed a further appeal before the Court of Cassation, which was admitted; however, on 15 April 2026, the Court of Cassation issued its final judgment dismissing the appeal. The decision has no impact on the performance of the Group, as the Group carries adequate provisions.

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
	31 March 2026	31 December 2025	31 March 2025
	KD'000	KD'000	KD'000
Amortized costs:			
Cash and cash equivalents	303,926	310,872	193,221
Bank balances held in customers' account	43,467	41,745	20,167
Trade and other receivables	1,040,863	1,027,201	962,884
Other non-current assets	-	-	11,739
Investment securities at FVTPL	121,456	85,058	67,822
Investment securities at FVOCI	13,109	12,833	14,035

All financial liabilities are categorized at amortized cost.

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.

31 March 2026 (Unaudited)

	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value:				
Investments at FVTPL	-	7,742	113,714	121,456
Investments at FVOCI	3,349	3,774	5,986	13,109
Total assets	3,349	11,516	119,700	134,565

31 December 2025 (Audited)

	Level 1	Level 2	Level 3	Total
	KD '000	KD '000	KD '000	KD '000
Financial assets at fair value:				
Investments at FVTPL	-	9,506	75,552	85,058
Investments at FVOCI	3,530	3,138	6,165	12,833
Total assets	3,530	12,644	81,717	97,891

31 March 2025 (Unaudited)

	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value:				
Investments at FVTPL	-	8,572	59,250	67,822
Investments at FVOCI	3,477	2,886	7,672	14,035
Total assets	3,477	11,458	66,922	81,857

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 approximately 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 2025 and 31 March 2025.

20. Hyperinflation – Sudan and South Sudan

Net monetary gain

The Republic of South Sudan economy had become hyperinflationary in 2016. During the year ended 31 December 2025, the Group also applied hyperinflation accounting (IAS 29) in Sudan since 2015. Accordingly, the results, cash flows and financial position of the Group's subsidiary in Sudan and South Sudan have been expressed in terms of the measuring unit current at the reporting date in accordance with IAS 29. The effect on the net monetary position is included in the condensed consolidated interim statement of profit or loss as 'net monetary gain'. The adjustment has been calculated by means of conversion factors derived from the Consumer Price Index (CPI) obtained from the Central Bank of Sudan.

The conversion factors used to adjust the financial statements of the subsidiaries in hyperinflationary economies are as follows:

Sudan:

	Index	Conversion Factor (2026)	Conversion Factor (2025)
31 March 2025	441,121.30	1.56	1.48
31 December 2025	653,040.27	1.06	1
31 March 2026	689,869.60	1	

South Sudan:

	Index	Conversion Factor (2026)	Conversion Factor (2025)
31 March 2025	60,725.45	1.04	1.04
31 December 2025	63,395.40	1	1
31 March 2026	63,395.40	1	

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 year ended 31 December 2025, SMTC settled the loan resulting in the maturity of the profit rate swaps.

At 31 March 2026 (Unaudited)	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 SIBOR, Pay fixed profit rate			
Profit rate swaps (maturing after one year)	-	-	-

At 31 December 2025 (Audited)	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 SIBOR, Pay fixed profit rate			
Profit rate swaps (maturing after one year)	-	-	-

At 31 March 2025 (Unaudited)	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 SIBOR, Pay fixed profit rate			
Profit rate swaps (maturing after one year)	1,690	-	157,901

22. Restatement of comparative information

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 1 Preparation of Financial Statements, the comparative information has been restated to give effect to the following:

Restatement due to application of IAS 29 for subsidiaries in Sudan

During the year ended 31 December 2025, management applied IAS 29 Financial Reporting in Hyperinflationary Economies to the Group's subsidiaries operating in Sudan. Sudan has been a hyperinflationary economy since 2015. However, IAS 29 had not been applied previously to these operations.

Accordingly, the financial information of the Sudan operations has been restated to reflect the current purchasing power at the reporting date. As a result, comparative information has been restated to reflect the impact of applying IAS 29 retrospectively from 2015.

The following table summarizes the impact on Group's condensed consolidated interim financial information.

As at 31 March 2025

Condensed Consolidated Interim Statement of Financial Position

	As reported	Effect of restatement	As restated
	KD '000	KD '000	KD '000
Assets			
Inventories	73,855	63	73,918
Other non-current assets	117,069	238	117,307
Right of use assets	205,051	174	205,225
Property and equipment	1,166,096	9,543	1,175,639
Intangible assets and goodwill	1,972,356	420	1,972,776
Total assets	5,425,121	10,438	5,435,559
Equity			
Foreign currency translation reserve	(1,634,467)	947,304	(687,163)
Retained earnings	566,565	(937,114)	(370,549)
Non-controlling interests	726,992	248	727,240
Total equity	2,003,419	10,438	2,013,857
Total liabilities and equity	5,425,121	10,438	5,435,559

For the 3-months period ended 31 March 2025

Condensed Consolidated Interim Statement of Profit or Loss

	As reported	Effect of restatement	As restated
	KD '000	KD '000	KD '000
Revenue	536,222	3,094	539,316
Cost of sales	(188,081)	(262)	(188,343)
Operating and administrative expenses	(170,372)	(1,044)	(171,416)
Expected credit loss (ECL) on financial assets	(7,129)	(31)	(7,160)
Depreciation and amortization	(87,141)	(116)	(87,257)
Interest income	1,269	15	1,284
Other expenses	(11,265)	58	(11,207)
Finance Costs	(30,894)	(21)	(30,915)
Foreign exchange gain	632	96	728
Net Monetary gain	3,540	3,302	6,842
Profit before taxation	64,002	5,091	69,093
Taxation	(7,551)	(297)	(7,848)
Profit for the period	56,316	4,794	61,110
Profit attributable to:			
Owners of the company	48,470	4,794	53,264
Non-controlling interests	7,846	-	7,846

For the 3-months period ended 31 March 2025

Condensed Consolidated Interim Statement of Other Comprehensive Income

	As reported	Effect of restatement	As restated
	KD '000	KD '000	KD '000
Profit for the period	56,316	4,794	61,110
Foreign exchange differences on translating foreign operations	(382)	6,852	6,470
Other comprehensive (loss)/ income for the period	(746)	6,852	6,106
Total comprehensive income for the period	55,570	11,646	67,216
Total comprehensive income attributable to:			
Owners of the company	47,532	11,613	59,145
Non-controlling interests	8,038	33	8,071

For the 3-months period ended 31 March 2025

Condensed Consolidated Interim Statement of Cash Flows

	As reported	Effect of restatement	As restated
	KD '000	KD '000	KD '000
Profit before taxation and Board of Directors' remuneration	64,002	5,091	69,093
Depreciation and amortization	87,141	116	87,257
ECL on financial assets	7,129	31	7,160
Interest income	(1,269)	(15)	(1,284)
Finance Costs	30,894	21	30,915
Foreign exchange gain	(632)	(96)	(728)
Net Monetary gain	(3,540)	(3,302)	(6,842)
Operating cash flows before working capital changes	166,500	1,846	168,346
Decrease in inventories	4,129	(63)	4,066
Increase in trade and other payables	74,823	(1,783)	73,040

23. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2025. However, recent geo-political developments in the region have increased market volatility and uncertainty, which may impact Group's risk profile. The management continues to monitor these developments closely.

24. Impacts of geopolitical conflict in the Middle East and related uncertainties

Geopolitical events in the Middle East since the end of February 2026 resulted in increased macro-economic uncertainties and risks. The Group managed the increased operational risk in accordance with risk management policies and our business continuity plans. The Group implemented protocols and processes to help protect employees, customers and community partners including leveraging our online platforms, supporting employees to work from home and planned strategies for critical site-based operations. These measures allowed us to continue to service our customers.

The Group continues to monitor these developments through its regular risk management and financial reporting processes. As further information becomes available, management will update its assessments, where necessary, to reflect any relevant impact on the Group's operations and financial position in future periods.