

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

1. Incorporation and activities

Oman Telecommunications Company SAOG (the “Parent Company” or the “Company”) is an Omani joint stock company registered under the Commercial Companies Law of the Sultanate of Oman. The Company’s principal place of business is located at Madinat al Irfan, Muscat, Sultanate of Oman. The Company’s shares are listed on Muscat Stock Exchange.

The principal activities of the Company are establishment, operation, maintenance and development of telecommunication services in the Sultanate of Oman. The Company and its subsidiaries (“the Group”) along with its associates provides telecommunications services in Sultanate of Oman and 8 other countries (refer to note 3 for details).

The Company is a subsidiary of United International Telecommunications Investment and Projects LLC which is wholly owned by Oman Investment Authority. The Company is ultimately controlled by the Government of Sultanate of Oman through Oman Investment Authority.

This condensed consolidated interim financial information was authorized and approved for issue by the Board of Directors of the Company on 14 May 2026.

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:

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- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature dependent electricity
- Annual improvements to IFRS Accounting Standards - Volume 11

Basis of preparation (continued)

2.1 Standards, amendments and interpretations applicable during the period (continued)

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

Standards, amendments and interpretations applicable during the period 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. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027. 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); 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)

2.1 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. 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

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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. Basis of preparation (continued)

2.2 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 15 November 2017, the date when the Group acquired an indirect stake in its subsidiaries located in Sudan. The Group therefore restated comparative information as detailed in note 21.

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 21.

2.3 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.

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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.

2. Basis of preparation (continued)**2.4 Political uncertainty in Sudan (continued)**

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 further disruptions.

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 current significant uncertainties that could impede Zain Sudan's infrastructure and operations, thereby casting significant doubt on its ability to continue as a going concern but the situation could evolve to detriment of the Group. 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.

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3. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Unaudited 31 March 2026 ﷵ '000	Audited 31 December 2025 ﷵ '000
Cash on hand and at banks	278,667	280,447
Short-term deposits with banks	143,855	143,427
Government certificates of deposits held by subsidiaries	2	2
	422,524	423,876
Allowance for expected credit loss	(11,584)	(14,378)
Cash and cash equivalents as per condensed consolidated interim statement of financial position	410,940	409,498
Bank overdrafts	(3,542)	(16,890)
Government certificates of deposits with maturities exceeding three months held by subsidiaries	(2)	(2)
Cash and cash equivalents in the condensed consolidated interim statements of cash flows	407,396	392,606

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 (ﷵ 7.172 million) as held for sale, 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 (ﷵ 0.458 million) 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 (ﷵ 9.236 million) right of use assets amounting to US\$ 51.946 million (ﷵ 19.784 million) and lease liabilities amounting to US\$ 49.897 million (ﷵ 19.005 million) 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).

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

5.1 Assets and liabilities classified as held for sale (continued)

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 S '000	Audited 31 December 2025 S '000
Telecom tower assets	29,035	13,139
Right of use assets	19,784	-
	48,819	13,139
Lease liabilities	19,005	-

5.2 Discontinued operations

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 Towers Holding Limited ("TASC") and IHS Netherlands GCC B.V. ("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.

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.

Details of the purchase consideration and IHS acquired exclusively with a view to resale are as follows:

	Unaudited 31 March 2026 S '000	Audited 31 December 2025 S '000
Fair value less cost to sell	77,761	78,075
Total liabilities of IHS	30,269	31,491
Total assets of IHS	108,030	109,566

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

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

5.2 Discontinued operations (continued)

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 (﷌ 11.81 million).

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

			﷌ '000
Consideration transferred in cash			11,807
Acquisition date fair value of the previously held equity interest			162,329
Total purchase consideration			174,136
The related assets and liabilities are presented below:			
	Unaudited	Audited	
	31 March	31 December	
	2026	2025	
	﷌ '000	﷌ '000	
Fair value less cost to sell	172,985	174,136	
Non-controlling interest	18,759	18,882	
Total liabilities of TASC*	87,551	86,707	
Total assets of TASC	279,295	279,725	

This includes intra-group liabilities eliminated amounting to ﷌ 17.6 million (2025: ﷌ 17.4 million).

6. Investments in associates and joint ventures

6.1 Investments in associates

	Unaudited	Audited
	31 March	31 December
	2026	2025
	﷌ '000	﷌ '000
Oman Fibre Optic Co SAOC	8,587	9,535
Majan Telecommunications LLC	5,103	5,410
Equinix Muscat LLC	4,424	4,272
Pearl REIF Fund	16,418	16,752
Etlag services LLC	4,653	3,910
Others	875	2,131
	40,060	42,010

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The represents Group's ~~﷌~~ 147.947 million (31 December 2025 - ~~﷌~~ 148.543 million) 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
	31 March	31 December
	2026	2025
	﷌ '000	﷌ '000
Net fixed assets	1,637,835	1,612,683
Capital work in progress	471,207	569,872
	2,109,042	2,182,555

During the three-months period ended 31 March 2026, the Group acquired property and equipment amounting to ~~﷌~~ 55.090 million (31 March 2025 (restated): ~~﷌~~ 56.570 million). Depreciation charged for the period amounted to ~~﷌~~ 81.213 million (31 March 2025 (restated): ~~﷌~~ 79.660 million).

8. Intangible assets and goodwill

	Unaudited	Audited
	31 March	31 December
	2026	2025
	﷌ '000	﷌ '000
Intangible assets	1,974,837	2,008,244
Goodwill	1,020,770	1,023,877
Capital work in progress	21,163	19,796
	3,016,770	3,051,917

During the three-months period ended 31 March 2026, the Group acquired intangible assets amounting to ~~﷌~~ 13.412 million (31 March 2025 (restated): ~~﷌~~ 59.146 million). Amortization charged for the period amounted to ~~﷌~~ 52.089 million (31 March 2025 (restated): ~~﷌~~ 48.229 million).-

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9. Bank borrowings

	Unaudited 31 March 2026 S '000	Audited 31 December 2025 S '000
<i>Parent Company</i>		
Short term loan	35,000	10,000
Long term loan	2,701	2,675
	37,701	12,675
<i>Oztel</i>		
Bonds – current	7,176	2,545
Bonds – non-current	263,919	263,953
	271,095	266,498
<i>OTEL Sukuk Ltd</i>		
Sukuk – non current	192,550	192,550
<i>Oman Data Park</i>		
Long term loans	18,029	15,931
<i>Mobile Telecommunications Company - Kuwait</i>		
Short term loans	65,335	65,728
Long term loans	1,041,862	1,033,779
	1,107,197	1,099,507
<i>Mobile Telecommunications Company Saudi Arabia (“SMTC”)</i>		
Short term loans	-	17,251
Long term loans	852,753	851,621
	852,753	868,872
<i>Pella Investment Company (“Pella”) (Zain Jordan)</i>		
Short term loans	7,095	11,069
Long term loans	127,308	101,284
	134,403	112,353
<i>Atheer Telecom Iraq Limited (“Atheer”)</i>		
Bank overdrafts	3,542	16,890
Long term loans	248,057	249,705
	251,599	266,595
<i>Future cities SAOC</i>		
Long term loan	12,216	12,523
<i>Others</i>		
Short term loans	979	886
Long term loans	4,119	4,357
	5,098	5,243
	2,882,641	2,852,747

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9. Bank borrowings (continued)

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

	Unaudited 31 March 2026 S '000	Audited 31 December 2025 S '000
Opening balance	2,852,747	2,573,794
Accretion of interest	4,391	19,122
Proceeds from bank borrowings	77,722	1,180,404
Repayment of bank borrowings	(31,978)	(942,753)
Net (repayment)/proceeds from bank overdraft	(13,366)	16,890
Increase from capex vendor financing facility – “CAPEX facility” (non-cash item)	-	26,866
Payment of interest	-	(17,576)
Effect of change in foreign exchange rates	(6,875)	(4,000)
	2,882,641	2,852,747

The current and non-current amounts are as follows:

	Unaudited 31 March 2026 S '000	Audited 31 December 2025 S '000
Current liabilities	384,400	363,517
Non-current liabilities	2,498,241	2,489,230
	2,882,641	2,852,747

The carrying amounts of the Group’s bank borrowings are denominated in the following currencies equivalent to Omani Rial:

	Unaudited 31 March 2026 S '000	Audited 31 December 2025 S '000
US Dollar	967,234	952,372
Kuwaiti Dinar	972,059	963,472
Saudi Riyals	852,753	868,872
Jordanian Dinar	12,100	17,073
Omani Rial	65,245	38,454
Others	13,250	12,504
	2,882,641	2,852,747

The average effective interest rate as at 31 March 2026 was 6.68 % (31 December 2025 – 5.5%) per annum.

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9. Bank borrowings (continued)

As of 31 March 2026, 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.

Parent Company and Oztel

Short term loan

During the period / year the Parent Company has:

- drawn down ~~£~~ 35.000 million (31 December 2025: ~~£~~ 318.9 million) from a revolving credit facility of ~~£~~ 235 million.
- repaid ~~£~~ 10 million (31 December 2025: ~~£~~ 346.4 million) from a revolving credit facility of ~~£~~ 235 million.

The facility carries a fixed margin over the one year cost of fixed deposit of the bank. The loan is unsecured.

Long term loans

Export credit loan with an outstanding balance of USD 6.9 million (~~£~~ 2.7 million) (31 December 2025 - USD 6.9 million (~~£~~ 2.7 million) from a consortium of banks to finance the procurement of capital equipment. The loan is unsecured. The facility carries an interest of 2.28% p.a.

Bonds

The bond is denominated in US Dollars and is listed on the Irish stock exchange. It is a 10 years bond with face value of USD 688.1 million (~~£~~ 265.717 million) (31 December 2025: USD 688.1 million (~~£~~ 265.717 million)) with a coupon rate of 6.63% per annum. The bonds are due for payment in year 2028. The effective interest on the bond is 7.09%. The fair value of the bond as at 31 March 2026 is USD 709.1 million (~~£~~ 273.4 million) (31 December 2025: USD 715.2 million (~~£~~ 275.4 million)).

OTEL Sukuk Limited

The bond is denominated in US Dollars with a face value of USD 500 million (~~£~~ 192.550 million) and is issued for a period of 7 years with a coupon rate of 5.375% per annum. The bond is due for repayment in the year 2031. The fair value of the Sukuk as at 31 March 2026 is USD 504.0 million (~~£~~ 194.0 million) (31 December 2025: USD 508.9 million (~~£~~ 196.0 million)).

Oman Data Park (ODP)

During the year, ODP has drawn down loans amounting to ~~£~~ 2.1 million (31 December 2025: ~~£~~ 7.684 million) and repaid ~~£~~ NIL (31 December 2025: ~~£~~ 1.677 million) of a long term facility.

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9. Bank borrowings (continued)

Oman Data Park (ODP) (continued)

Long term loans include:

a) Senior Facility loan

The senior facility loan for ~~£~~ 3.920 million (31 December 2025: ~~£~~ 4.2 million) carries an interest rate of 1.5% plus CBO Bank deposit rate. The effective interest was 4.69% (2025: 5.25%). The loan is repayable in quarterly instalments commencing from 1 January 2026, with the last instalment scheduled on 31 January 2030.

b) Project loan 1

During 2023, ODP obtained a facility of ~~£~~ 3.83 million and which carries an interest rate of 1.5% plus CBO Bank deposit rate. The effective interest rate was 4.69% per annum (2025: 5.65%). The carrying amount of loan facility utilised as at 31 March 2026 is ~~£~~ 3.6 million (2025: ~~£~~ 3.657 million). The loan is repayable in 120 monthly instalments which commenced from 2 April 2025.

c) Project loan 2

During the year 2024, ODP enhanced its loan limit from ~~£~~ 4.9 million to ~~£~~ 8.950 million which carries interest of 1.50% with CBO Bank Deposit Rate. The effective interest rate was 4.69% (2025: 5.65%) per annum. The carrying amount of loan facility utilised as at 31 March 2026 is ~~£~~ 6.03 million (2025: ~~£~~ 5.426 million). The term of loan is 16 years and will be repaid in 26 half yearly instalments starting from December 2026 up to June 2039.

d) Project loan 3

During 2025, ODP obtained a facility of ~~£~~ 5 million which carries an interest rate of 5% per annum for 5 years. The carrying amount of loan facility utilised as at 31 March 2026 is ~~£~~ 3.23 million (31 December 2025; ~~£~~ 2.585 million). The term of loan is 5.5 years and is being repaid in 20 Quarterly instalments which commenced from March 2025 after completion of grace period of six months.

e) Project loan 4

During 2026, the Parent Company obtained a facility of ~~£~~ 13.2 and which carries an interest rate of 5% per annum for 2 years there after 1.00% with CBO Bank Deposit Rate. The carrying amount of loan facility utilised as at 31 Mar 2025 is ~~£~~ 105,000 (2025 - ~~£~~ NIL). The term of loan is 9 years and will be repaid in 14 Semi annual instalments commencing from Feb- 2028 after completion of grace period of 24 months

Mobile Telecommunications Company K.S.C.P (MTC)

During the period, the Company has:

- 1) drawn down loans amounting to ~~£~~ 12.45 million (31 December 2025 - ~~£~~ 244.89 million) from revolving credit facility amounting to ~~£~~ 523 million
- 2) repaid loans amounting to ~~£~~ 0.085 million (31 December 2025 - ~~£~~ 19.3 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.

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9. Bank borrowings (continued)

SMTC

Term loans include:

- 1) In 2025, SMTC obtained a new Islamic Shariah compliant facility amounting to SAR 1,934 million (~~₹~~ 197.00 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 (~~₹~~ 115.17 million) to fund for the CAPEX payment against several projects.

SMTC have availed SAR 1,012.210 million (~~₹~~ 103.1 million) (31 December 2025: SAR 1,012.210 million equivalent to ~~₹~~ 103.1 million) of the CAPEX facility as at the reporting period.

The interest amounting to SAR 15.97 million (~~₹~~ 1.627 million) (31 December 2025: SAR 59.310 million equivalent to ~~₹~~ 6.015 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 (~~₹~~ 20.370 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 (~~₹~~ 20.370 million) (31 December 2025: SAR 30 million (~~₹~~ 17.32 million)).
- 4) In 2025, SMTC signed SAR 5,500 million (~~₹~~ 560.3 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 (~~₹~~ 478.92 million) and SAR 500 million (~~₹~~ 50.94 million). Unused facility amounting to SAR 300 million (~~₹~~ 30.56 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 (~~₹~~ 0.431) has been capitalized by SMTC during the period based on effective interest rate of the loan (31 December 2025: ~~₹~~ NIL).

Pella

Long term loans mainly include:

- 1) US\$ 210 million (~~₹~~ 80.239 million) (31 December 2025 – US\$ 160 million equivalent to ~~₹~~ 61.3 million) term loan from a commercial bank which is repayable by 23 September 2030.
- 2) US\$ 120 million (~~₹~~ 45.851 million) (31 December 2025 – US\$ 100 million equivalent to ~~₹~~ 38.34 million) term loan from a commercial bank which is repayable by 31 August 2030.

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

9. Bank borrowings (continued)

Atheer

Long-term loans include:

- 1) US\$ 105 million (~~ﷲ~~ 40.12 million) (31 December 2025 – US\$ 105 million equivalent to ~~ﷲ~~ 40.26 million) term loan from a commercial bank which is repayable by 30 June 2026.
- 2) US\$ 131 million (~~ﷲ~~ 40.05 million) (31 December 2025 – US\$ 131 million equivalent to ~~ﷲ~~ 50.22 million) revolving credit facilities from a commercial bank which is repayable by 17 December 2027.
- 3) US\$ 100 million (~~ﷲ~~ 38.21 million) (31 December 2025 – US\$ 100 million equivalent to ~~ﷲ~~ 38.26 million) term loan from a commercial bank which is repayable by 30 July 2026.
- 4) US\$ 60 million (~~ﷲ~~ 22.93 million) (31 December 2025 – US\$ 60 million equivalent to ~~ﷲ~~ 23.00 million) revolving credit facilities from a commercial bank which is repayable by 24 April 2027.
- 5) US\$ 125 million (~~ﷲ~~ 47.76 million) (31 December 2025 – US\$ 125 million equivalent to ~~ﷲ~~ 37.92 million) term loan from a commercial bank which is repayable by 01 May 2029.
- 6) US\$ 100 million (~~ﷲ~~ 38.21 million) ((31 December 2025 – US\$ 100 million equivalent to ~~ﷲ~~ 38.34 million) term loan from a commercial bank which is repayable by 19 August 2027.
- 7) IQD 40 billion (~~ﷲ~~ 11.7 million) (31 December 2025 – IQD 40 billion equivalent to ~~ﷲ~~ 11.62 million) 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.

Future cities SAOC

Long term loans include:

- 1) ~~ﷲ~~ 2.032 million term loan (2025 - ~~ﷲ~~ 2.339 million) from a commercial bank which is repayable by 31 July 2027. The loan is secured by assignment of receivables.
- 2) ~~ﷲ~~ 10.185 million term loan (2025 - ~~ﷲ~~ 10.185) from a commercial bank whose repayment starts from December 2026 after the moratorium period.

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.

Notes to the Condensed Consolidated Interim Financial Information - 31 March 2026
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10. Other non-current liabilities

	Unaudited 31 March 2026 S '000	Audited 31 December 2025 S '000
Due to Telecommunication Regulatory Authority – Oman	5,424	5,346
Due for acquisition of Spectrum - KSA	154,039	171,223
Payable towards sale and lease back-financing	79,530	78,918
Customer deposits	4,274	3,231
Post-employment benefits	83,223	80,438
Others	27,346	26,592
	353,836	365,748

11. Share capital and reserves

11.1 Share capital

	Unaudited 31 March 2026 No. of shares S '000	Audited 31 December 2025 No. of shares S '000
<i>Authorised, Issued and fully paid up</i>	750,000,000	750,000,000
<i>Authorised, Issued and fully paid up</i>	75,000	75,000

Shareholders of the Company who own not less than 10% of the Company's shares at the reporting date are as follows:

	Unaudited 31 March 2026 Shares held %	Audited 31 December 2025 Shares held %
United International Telecommunications Investment and Projects LLC	382,500,345 51	382,500,345 51

11.2 Own shares held by liquidity provider

The Parent company engaged a third-party licensed liquidity provider on Muscat Securities Exchange (MSX) to facilitate the selling and buying of its own shares. At 31 March 2026 the liquidity provider held ~~S~~ 0.098 million (31 December 2025: ~~S~~ 0.072 million) of the shares on behalf of the Company at par value.

The premium recognised on trading in its shares is recorded as "Reserve on trading in own shares". Such reserve which amounted to ~~S~~ 1.262 million (31 December 2025: ~~S~~ 0.909 million) is classified under equity. Included under the reserve is a net loss of ~~S~~ 0.353 million (31 March 2025: net profit of ~~S~~ 0.937 million) realized during the period.

Dividend – 2025

The annual general meeting of shareholders for the year ended 31 December 2025 held on 30 March 2026 approved distribution of final dividends of ~~S~~ 0.055 per share for the year 2025 (31 December 2024 – ~~S~~ 0.055).

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

11. Share capital and reserves (continued)

11.3 Reserves

	Legal reserve ﷼ '000	Voluntary reserve ﷼ '000	Capital contribution ﷼ '000	Capital reserve ﷼ '000	Foreign Currency Transaction reserve ﷼ '000	Investment fair value reserve ﷼ '000	Other reserve ﷼ '000	Retained earnings ﷼ '000	Total reserves ﷼ '000
Balance at 1 January 2026	25,000	49,875	7,288	36,893	79,928	(5,484)	484	449,404	643,388
Profit for the period	-	-	-	-	-	-	-	20,881	20,881
Other comprehensive (loss) / income for the period	-	-	-	-	(9,668)	156	3	-	(9,509)
Total comprehensive (loss) / income for the period	-	-	-	-	(9,668)	156	3	20,881	11,372
<i>Transactions with shareholders of the Company, recognized directly in equity:</i>									
Dividend paid	-	-	-	-	-	-	-	(41,250)	(41,250)
Acquisition of additional stake in a subsidiary	-	-	-	-	-	-	-	(202)	(202)
Balance at 31 March 2026	25,000	49,875	7,288	36,893	70,260	(5,328)	487	428,833	613,308
Balance at 1 January 2025 (restated)	25,000	49,875	7,288	36,893	77,107	(4,911)	566	402,318	594,136
Profit for the period (restated)	-	-	-	-	-	-	-	16,980	16,980
Other comprehensive income/ (loss) for the period (restated)	-	-	-	-	969	79	(66)	-	982
Total comprehensive income/ (loss) for the period (restated)	-	-	-	-	969	79	(66)	16,980	17,962
<i>Transactions with shareholders of the Company, recognized directly in equity:</i>									
Dividend paid	-	-	-	-	-	-	-	(41,250)	(41,250)
Impact of application of IAS 29	-	-	-	-	-	-	-	323	323
Balance at 31 March 2025 (restated)	25,000	49,875	7,288	36,893	78,076	(4,832)	500	378,371	571,171

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

11. Share capital and reserves (continued)

11.3 Reserves (continued)

Legal reserve

In accordance with the Oman Commercial Companies Law of 2019, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one third of the value of the respective Omani entity's paid-up share capital. This reserve is not available for distribution. As the reserve equals one third of paid up share capital, the Company has discontinued the transfer.

Voluntary reserve

In accordance with the Board of Directors' Resolution No.16T/5/2000, the Parent Company transfer 10% of its annual net profits to a distributable voluntary reserve until it becomes equal to one-half of the entity's paid up share capital. As the reserve equals at least half of paid up share capital, the Company has discontinued the transfer.

Capital contribution

The excess of the valuation of the fixed licence of the Parent company over the amounts paid to TRA in year 2004 is recognised as a non-distributable capital contribution within equity.

Capital reserve

This is a non-distributable reserve and represents the fair value in excess of the amount paid for the mobile license, which expired in February 2019.

Foreign currency translation reserve

Foreign currency translation reserve mainly represents foreign exchange translation losses arising from Zain Group, Zain Sudan and Zain South Sudan.

12. Investment income

	Three months ended 31 March (Unaudited)	
	2026	2025
	₹ '000	₹ '000
Dividend income	751	80
Gain from investment securities at mandatorily at FVTPL*	46,547	19,275
	47,298	19,355

* These mainly represent unrealized gains from private equity investments, which led to an ancillary increase in the investment securities held at FVTPL.

13. Finance costs

	Three months ended 31 March (Unaudited)	
	2026	2025 (Restated)
	₹ '000	₹ '000
Interest on bank borrowings	35,977	35,193
Finance cost on lease liabilities	8,098	7,775
Interest relating to license and spectrum payable	3,184	3,395
Interest amount payable to Ministry of Finance (KSA)	103	1,861
Others	507	1,028
	47,869	49,252

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

14. Taxation

	Three months ended 31 March (Unaudited)	
	2026	2025 (Restated)
	₹ '000	₹ '000
Zakat	2,643	2,041
Domestic minimum top-up tax (DMTT)	1,174	-
GloBE Tax (IIR/ UTPR)	704	1,268
Taxation related to subsidiaries	10,255	7,586
	14,776	10,895

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.

In 2025, Sultanate of Oman introduced Income inclusion rules effective from 1 January 2025. As at 31 March 2026, the BEPS Pillar Two was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes by the Parent company since the corresponding regulations / clarifications were yet to be prescribed.

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.

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

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)
	﷮ '000	﷮ '000
Profit for the period attributable to shareholders of the Company	20,881	16,890
	Shares	Shares
Weighted average number of shares in issue outstanding during the period	750,000,000	750,000,000
Earnings per share – basic and diluted (﷮)	0.028	0.023

16. Segmental information

The Company and its subsidiaries operate in a single business segment, telecommunications and related services. Apart from its operations in Oman, the Company operates through Zain Group in 8 countries. This forms the basis of the geographical segments.

Based on the quantitative thresholds, the Group has identified its operations in Oman, 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)

16. Segmental information (continued)

	31 March 2026									
	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Elimination	Total
	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000	<u>₹</u> '000
Segment revenues – airtime, data, subscriptions and other services (Point over time)	157,049	80,848	51,690	59,009	121,112	16,709	247,011	63,383	-	796,811
Segment revenues - trading income (Point in time)	20,915	33,982	4,954	1,144	3,179	4,589	23,530	15	(32,464)	59,844
Net profit before interest and tax	10,352	13,871	11,609	24,405	20,136	1,483	35,245	(4,188)	-	112,913
Interest income	556	264	25	550	35	362	803	1,577	-	4,172
Share of associates	1,687	-	-	-	-	-	-	-	(867)	820
Investment income	221	-	-	-	-	-	-	-	-	221
Finance costs	(10,669)	(331)	(3,114)	(425)	(6,852)	(1,585)	(15,170)	(453)	-	(38,599)
Income tax expenses	(1,495)	(836)	(2,055)	(3,149)	(2,449)	-	(270)	(751)	-	(11,005)
	652	12,968	6,465	21,381	10,870	260	20,608	(3,815)	(867)	68,522
Unallocated items:										
Investment income										47,077
Share of results of associates and joint ventures										(131)
Others (including unallocated interest income, income tax and finance costs net of eliminations)										(7,513)
Profit for the period										107,955

16. Segmental information (continued)

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

	31 March 2026 (continued)									
	Oman S '000	Kuwait S '000	Jordan S '000	Sudan S '000	Iraq S '000	Bahrain S '000	KSA S '000	Others S '000	Elimination S '000	
Segment assets including allocated goodwill	1,833,563	1,103,958	648,002	206,058	1,139,124	121,758	3,179,819	594,050	(850,336)	7,975,996
ROU assets	111,968	32,814	12,273	5,874	30,457	20,499	141,998	5,497	-	361,380
<i>Unallocated items:</i>										
Investment securities at FVTPL										150,727
Investment securities at FVOCI										16,268
Investment in associates and joint ventures										131,824
Others (net of eliminations)										333,100
Consolidated assets										8,969,295
Segment liabilities	455,380	524,207	149,533	81,743	390,458	31,652	729,427	573,032	-	2,935,432
Lease liabilities (current and non-current)	151,315	30,196	15,213	2,235	40,236	21,101	171,720	6,016	-	438,032
Bank borrowings	531,591	-	134,403	-	251,599	-	852,753	5,101	-	1,775,447
	1,138,286	554,403	299,149	83,978	682,293	52,753	1,753,900	584,149	-	5,148,911
<i>Unallocated items:</i>										
Bank borrowings										1,107,194
Others (net of eliminations)										(294,753)
Consolidated liabilities										5,961,352
Net consolidated assets										3,007,943
Capital expenditure incurred during the period	19,300	5,080	714	23,236	9,680	152	7,159	3,200	-	68,521
Unallocated (net of eliminations)										22
Total capital expenditure										68,543
Depreciation of property and equipment and amortization of intangible assets	27,112	22,368	9,729	2,578	19,726	2,935	46,868	2,032	-	133,348
Amortization of ROU assets	3,419	2,757	493	317	1,225	1,182	8,086	296	-	17,775

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

Unallocated (net of elimination)	(32)
Total depreciation and amortization	151,091

16. Segmental information (continued)

	31 March 2025 (Restated) (continued)								Elimination	Total
	Oman ‘000	Kuwait ‘000	Jordan ‘000	Sudan ‘000	Iraq ‘000	Bahrain ‘000	KSA ‘000	Others ‘000		
Segment revenues – airtime, data, subscriptions and other services (Point over time)	144,908	77,163	50,227	44,001	107,262	15,992	237,807	48,254	-	725,614
Segment revenues - trading income (Point in time)	19,144	39,267	3,977	935	2,570	5,390	37,639	9	(27,105)	81,826
Net profit before interest and tax	14,822	14,774	11,067	29,713	18,221	1,294	27,404	2,834	-	120,129
Interest income	591	103	70	210	183	91	443	75	-	1,766
Share of associates	1,757	-	-	-	-	-	-	-	(975)	782
Investment income	(671)	-	-	-	-	-	-	-	-	(671)
Finance costs	(10,763)	(349)	(3,373)	(310)	(6,653)	(388)	(17,947)	(239)	-	(40,022)
Income tax expenses	(1,587)	-	(1,570)	(3220)	(2,103)	-	-	(143)	-	(8,623)
	4,149	14,528	6,194	26,393	9,648	997	9,900	2,527	(975)	73,361
<i>Unallocated items:</i>										
Investment income										20,026
Share of results of associates and joint venture										1,414
Others (including unallocated interest income, income tax and finance costs net of eliminations)										(23,911)
Profit for the period										70,890

16. Segmental information (continued)

OMAN TELECOMMUNICATIONS COMPANY SAOG

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

	31 March 2025 (Restated)								Elimination	Total
	Oman S '000	Kuwait S '000	Jordan S '000	Sudan S '000	Iraq S '000	Bahrain S '000	KSA S '000	Others S '000		
Segment assets including allocated goodwill	1,788,194	1,105,799	648,142	102,422	1,031,657	127,394	3,233,035	304,054	(850,336)	7,490,361
ROU assets	96,094	35,274	13,000	1,646	33,344	21,105	148,216	2,920	-	351,599
<i>Unallocated items:</i>										
Investment securities at FVTPL										84,438
Investment securities at FVOCI										17,474
Investment in associates and joint venture										210,799
Others (net of eliminations)										190,551
Consolidated assets										<u>8,345,222</u>
Segment liabilities	443,491	493,141	183,640	64,989	288,375	31,754	818,044	314,885	-	2,638,319
Lease liabilities (current and non-current)	135,047	30,001	15,741	1,689	40,142	21,753	152,308	2,856	-	399,537
Bank borrowings	551,909	-	108,844	-	247,827	-	831,592	2,241	-	1,742,413
	<u>1,130,447</u>	<u>523,142</u>	<u>308,225</u>	<u>66,678</u>	<u>576,344</u>	<u>53,507</u>	<u>1,801,944</u>	<u>319,982</u>	<u>-</u>	<u>4,780,269</u>
<i>Unallocated items:</i>										
Bank borrowings										873,869
Others (net of eliminations)										(262,648)
Consolidated liabilities										<u>5,391,490</u>
Net consolidated assets										<u>2,935,732</u>
Capital expenditure incurred during the period	27,635	11,184	432	11,081	7,829	971	51,588	9,635	-	120,355
Unallocated (net of eliminations)										326
Total capital expenditure										<u>120,681</u>
Depreciation of property and equipment and amortization of intangible assets	24,430	21,406	9,664	1,019	19,870	3,101	46,891	1,782	-	128,163

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

Amortization of ROU assets	2,688	2,807	454	245	1,235	1,182	7,937	143	-	16,691
Unallocated (net of elimination)										<u>(271)</u>
Total depreciation and amortization										<u><u>144,583</u></u>

Notes to the Condensed Consolidated Interim Financial Information – 31 March 2026
(Unaudited)**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 with associate companies	Three months ended 31 March (Unaudited)	
	2026	2025
	₹ '000	₹ '000
Revenue	2,114	1,883
Cost of operations and other expenses	19	22
Dividend income from associate	2,318	1,169
Key management compensation		
	Three months ended 31 March (Unaudited)	
	2026	2025
	₹ '000	₹ '000
Salaries and other short term employee benefits	1,065	891
Post-employment benefits	16	14
Balances		
	Unaudited	Audited
	31 March	31 December
	2026	2025
	₹ '000	₹ '000
Balances with associate companies		
Trade receivables	1,302	2,152
Trade payables	-	114

18. Commitments and contingencies

	Unaudited	Audited
	31 March	31 December
	2026	2025
	₹ '000	₹ '000
Capital commitments	515,251	472,105
Uncalled share capital of investee companies	294	760
Letters of guarantee and credit	86,510	87,638

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

18. Commitments and contingencies (continued)

Atheer – Iraq

- a. On 10 September 2023, the Communication and Media Commission of Iraq (“CMC”) imposed a fine of US\$ 75 million (﷌ 28.7 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 (﷌ 0.384 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 (﷌ 25.61 million) out of the total US\$ 75 million (﷌ 28.75 million) fine, reducing that portion to US\$ 2.310 million (﷌ 0.885 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 (﷌ 3.14 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 (﷌ 0.384 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 (﷌ 19.2 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 ﷌ 9.45 million (31 December 2025 – ﷌ 9.45 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 (﷌ 10.24 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.

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

18. Commitments and contingencies (continued)

SMTC (continued)

- 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 (~~ﷲ~~ 0.857 million) and created a provision of SAR 148.18 million (~~ﷲ~~ 15.168 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 (~~ﷲ~~ 15.168 million) during 2024. The amount paid of SAR 8.37 million (~~ﷲ~~ 0.857 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 ~~ﷲ~~ 30.828 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 ~~ﷲ~~ 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.

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

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 31 March 2026 S '000	Audited 31 December 2025 S '000
Amortized costs:		
Cash and cash equivalents	410,940	409,498
Bank balances held in customers' account	53,943	52,014
Trade and other receivables	1,502,332	1,499,707
Contact assets	276,678	274,129
Investment securities	1,000	1,000
Other non-current assets	-	15,378
Investment securities at FVTPL	173,558	128,655
Investment securities at FVOCI	16,268	15,990

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 S '000	Level 2 S '000	Level 3 S '000	Total S '000
Financial assets at fair value:				
Investments at FVTPL	5,666	19,957	147,935	173,558
Investments at FVOCI	4,156	4,684	7,428	16,268
Total assets	9,822	24,641	155,363	189,826

31 December 2025 (Audited)

	Level 1 S '000	Level 2 S '000	Level 3 S '000	Total S '000
Financial assets at fair value:				
Investments at FVTPL	5,559	22,139	100,957	128,655
Investments at FVOCI	4,398	3,910	7,682	15,990
Total assets	9,957	26,049	108,639	144,645

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

19. Financial instruments (continued)

19.2 Fair value hierarchy for financial instruments measured at fair value (continued)

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 / period 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 2017. 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	

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

21. 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, the management applied IAS 29 retrospectively from 2017. However, IAS 29 had not been applied to the amounts for the 3-months period ended 31 March 2025 reported previously in relation 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.

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

For the 3-months period ended 31 March 2025

Condensed Consolidated Interim Statement of Profit or Loss

	As reported	Effect of restatement	As restated
	₹ '000	₹ '000	₹ '000
Revenue	803,588	3,852	807,440
Cost of operations	(286,960)	(326)	(287,286)
Operating and administrative expenses	(251,640)	(1,301)	(252,941)
Depreciation and amortization	(144,439)	(144)	(144,583)
Expected credit loss (ECL) on financial assets	(11,145)	(38)	(11,183)
Interest income	2,171	19	2,190
Investment income	19,355	-	19,355
Share of results of associates and joint venture	2,196	-	2,196
Other expense	(14,388)	685	(13,703)
Finance costs	(49,226)	(26)	(49,252)
Gain from currency revaluation	915	119	1,034
Net monetary gain	4,407	4,111	8,518
Profit before taxation	74,834	6,951	81,785
Taxation	(9,913)	(982)	(10,895)
Profit for the period	64,921	5,969	70,890
Profit attributable to:			
Owners of the company	15,672	1,218	16,980
Non-controlling interests	49,249	4,661	53,910

21. Restatement of comparative information (continued)*For the 3-months period ended 31 March 2025**Condensed Consolidated Interim Statement of Other Comprehensive Income*

	As reported	Effect of	As restated
	₹ '000	restatement	₹ '000
	₹ '000	₹ '000	₹ '000
Profit for the period	64,921	5,969	70,890
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign exchange differences on translating foreign operations	(2,281)	7,014	4,733
Other reserves	(814)	-	(814)
	(3,095)	7,014	3,919
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain on investments in equity instruments designated as at FVOCI	361	-	361
	361	-	361
Other comprehensive income / (loss) for the period	(2,734)	7,014	4,280
Total comprehensive income for the period	62,187	12,983	75,170
Total comprehensive income attributable to:			
Owners of the company	15,120	2,842	17,962
Non-controlling interests	47,067	10,141	57,208

*For the 3-months period ended 31 March 2025**Condensed Consolidated Interim Statement of Cash Flows*

	As reported	Effect of restatement	As restated
	<u>₹ '000</u>	<u>₹ '000</u>	<u>₹ '000</u>
Profit before taxation	74,834	6,951	81,785
Depreciation and amortization	144,439	144	144,583
ECL on financial assets	11,145	38	11,183
Interest income	(2,171)	(19)	(2,190)
Finance costs	49,226	26	49,252
Gain from currency revaluation	(915)	(119)	(1,034)
Net monetary gain	(4,407)	(4,111)	(8,518)
Others	(21,560)	-	(21,560)
Operating cash flow before working capital changes	250,591	2,910	253,501
Decrease in inventories	10,853	(79)	10,774
Increase in trade and other payables	53,334	(2,831)	50,503
Others	(167,978)	-	(167,978)
Cash generated from operations	146,800	-	146,800
Income tax paid	(3,187)	-	(3,187)
Net cash from operating activities	143,613	-	143,613

22. 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.

23. 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 the Group to continue to service its 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.