



ETIHAD ETISALAT COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
(UNAUDITED)  
FOR THE THREE AND SIX-MONTHS PERIODS  
ENDED 30 JUNE 2025  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

Contents	Page
Independent auditor's review report	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of profit or loss	4
Interim condensed consolidated statement of comprehensive income	5
Interim condensed consolidated statement of changes in shareholders' equity	6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8-15

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ETIHAD ETISALAT COMPANY (A SAUDI JOINT STOCK COMPANY)**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Etihad Etisalat Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

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

for Ernst & Young Professional Services



Hesham A. Alatiqi  
Certified Public Accountant  
License No. (523)

Riyadh: 28 Muharram 1447H  
(23 July 2025)



Etiihad Etisalat Company (A Saudi Joint Stock Company)

Interim condensed consolidated statement of financial position

As at 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5	18,489,619	18,851,032
Intangible assets	6	8,509,803	6,997,670
Right of use assets	7	2,843,038	2,718,792
Investment in joint ventures		158,730	52,420
Contract costs		5,481	4,278
Contract assets		88,241	89,959
Financial and other assets		24,455	304,722
<b>Total non-current assets</b>		<b>30,119,367</b>	<b>29,018,873</b>
<b>Current assets</b>			
Inventories		172,002	212,992
Contract costs		407,880	359,940
Contract assets		929,672	1,003,495
Accounts receivable	8	4,213,935	3,929,559
Due from related parties	9	123,346	107,332
Financial and other assets		640,432	696,921
Short term Murabaha		1,109,467	1,786,374
Cash and cash equivalents		2,240,009	1,399,542
<b>Total current assets</b>		<b>9,836,743</b>	<b>9,496,155</b>
<b>Total assets</b>		<b>39,956,110</b>	<b>38,515,028</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	1	7,700,000	7,700,000
Other reserves		(24,599)	(22,669)
Retained earnings		11,775,326	11,198,161
<b>Total shareholders' equity</b>		<b>19,450,727</b>	<b>18,875,492</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	11	5,460,544	5,725,122
Lease liabilities		2,202,309	2,061,787
Provision for employees' end of service benefits		651,115	601,496
Provision for decommissioning		207,131	208,462
Contract liabilities		333,619	321,510
Financial and other liabilities		1,532,852	309,532
<b>Total non-current liabilities</b>		<b>10,387,570</b>	<b>9,227,909</b>
<b>Current liabilities</b>			
Borrowings	11	496,658	459,588
Lease liabilities		1,279,407	1,213,068
Accounts payable		2,917,212	3,603,538
Contract liabilities		774,281	831,150
Due to related parties	9	214,898	193,439
Accrued expenses		3,585,700	3,281,876
Provisions		368,678	369,491
Zakat and income tax		80,189	117,005
Financial and other liabilities		400,790	342,472
<b>Total current liabilities</b>		<b>10,117,813</b>	<b>10,411,627</b>
<b>Total liabilities</b>		<b>20,505,383</b>	<b>19,639,536</b>
<b>Total shareholders' equity and liabilities</b>		<b>39,956,110</b>	<b>38,515,028</b>

The attached notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements.

Acting Chief Financial Officer

Chief Executive Officer

Chairman

Etihad Etisalat Company (A Saudi Joint Stock Company)

Interim condensed consolidated statement of profit or loss (unaudited)

For the three and six-months periods ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025	2024	2025	2024
Revenue		4,828,424	4,465,204	9,605,895	9,010,684
Cost of revenue		(2,205,921)	(2,087,245)	(4,429,108)	(4,187,770)
Gross profit		2,622,503	2,377,959	5,176,787	4,822,914
Operating expenses					
Selling and marketing expenses		(360,960)	(351,926)	(740,829)	(704,440)
General and administrative expenses		(424,623)	(329,474)	(818,044)	(715,887)
Impairment on accounts receivable and contract assets		(13,886)	(46,440)	(20,362)	(101,110)
Depreciation and amortization	5,6,7	(931,715)	(890,869)	(1,856,283)	(1,789,008)
Total operating expenses		(1,731,184)	(1,618,709)	(3,435,518)	(3,310,445)
Operating profit		891,319	759,250	1,741,269	1,512,469
Other income and expenses					
Share in profit of joint ventures		61,498	10,001	106,311	16,411
Finance income		49,492	46,381	103,173	91,627
Finance expenses		(171,346)	(129,666)	(337,396)	(296,570)
Other income, net		21,681	3,732	26,750	38,126
Net other income and expenses		(38,675)	(69,552)	(101,162)	(150,406)
Net profit before zakat and income tax		852,644	689,698	1,640,107	1,362,063
Zakat and income tax		(22,700)	(28,579)	(43,493)	(63,170)
Net profit		829,944	661,119	1,596,614	1,298,893
Earnings per share:					
Basic and diluted earnings per share (in SR)	13	1.08	0.86	2.07	1.69

The attached notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements.

  
Acting Chief Financial Officer

  
Chief Executive Officer

  
Chairman

Etihad Etisalat Company (A Saudi Joint Stock Company)  
Interim condensed consolidated statement of comprehensive income (unaudited)  
For the three and six- months periods ended 30 June 2025  
(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
Net profit	<b>829,944</b>	661,119	<b>1,596,614</b>	1,298,893
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Actuarial remeasurement of employees' end of service	<b>(15,421)</b>	(9,497)	<b>(18,449)</b>	4,325
Change in fair value of equity investments	<b>(881)</b>	(4,432)	<b>(1,672)</b>	(1,557)
Total items that will not be reclassified subsequently to profit or loss	<b>(16,302)</b>	(13,929)	<b>(20,121)</b>	2,768
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	<b>(100)</b>	(85)	<b>(208)</b>	(11)
Cash flow hedge - change in fair value	-	2,727	<b>65</b>	10,597
Cash flow hedge - reclassified to profit or loss	-	(28,815)	<b>(115)</b>	(52,998)
Total items that will be reclassified subsequently to profit or loss	<b>(100)</b>	(26,173)	<b>(258)</b>	(42,412)
Total other comprehensive loss	<b>(16,402)</b>	(40,102)	<b>(20,379)</b>	(39,644)
Total comprehensive income	<b>813,542</b>	621,017	<b>1,576,235</b>	1,259,249

The attached notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements.

		
Acting Chief Financial Officer	Chief Executive Officer	Chairman

Etihad Etisalat Company (A Saudi Joint Stock Company)

Interim condensed consolidated statement of changes in shareholders' equity (unaudited)

For the six- months period ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Total shareholders' equity
Balance As at 1 January 2025		7,700,000	-	(22,669)	11,198,161	18,875,492
Net profit		-	-	-	1,596,614	1,596,614
Other comprehensive loss for the period		-	-	(1,930)	(18,449)	(20,379)
Total comprehensive (loss) / income		-	-	(1,930)	1,578,165	1,576,235
Dividends	17	-	-	-	(1,001,000)	(1,001,000)
Balance As at 30 June 2025		7,700,000	-	(24,599)	11,775,326	19,450,727
Balance As at 1 January 2024		7,700,000	2,648,971	26,311	7,247,325	17,622,607
Net profit		-	-	-	1,298,893	1,298,893
Other comprehensive (loss) / income for the		-	-	(43,969)	4,325	(39,644)
Total comprehensive (loss) / income		-	-	(43,969)	1,303,218	1,259,249
Dividends		-	-	-	(1,116,500)	(1,116,500)
Transfer from statutory reserve	10	-	(2,648,971)	-	2,648,971	-
Balance As at 30 June 2024		7,700,000	-	(17,658)	10,083,014	17,765,356

The attached notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements.

  
Acting Chief Financial Officer

  
Chief Executive Officer

  
Chairman

Etiihad Etisalat Company (A Saudi Joint Stock Company)

Interim condensed consolidated statement of cash flows (unaudited)

For the six- months period ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

	For the six-month period ended 30 June 2025	For the six-month period ended 30 June 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit	1,596,614	1,298,893
Adjustments:		
Depreciation and amortization	1,856,283	1,789,008
Impairment loss on accounts receivable and contract assets	20,362	101,110
Provision for employees' end of service benefits	36,010	42,627
Provisions	15,063	19,157
Share in profit of joint ventures	(106,311)	(16,411)
Finance income	(103,173)	(91,627)
Finance costs	337,396	296,570
Zakat and income tax	43,493	63,170
Loss on sale of property and equipment	731	3,849
Others	3,437	(615)
Changes in:		
Inventories	28,867	(90,444)
Contract costs	(49,143)	28,750
Contract assets	75,058	(53,122)
Accounts receivable	(304,254)	(1,283,083)
Due from related parties	(16,015)	(13,298)
Financial assets and others	32,694	(139,808)
Accounts payable	(146,918)	140,354
Contract liabilities	(44,760)	106,749
Due to related parties	21,459	10,470
Accrued expenses	312,738	517,857
Provisions	(12,962)	(16,307)
Financial liabilities and others	56,000	166,210
Cash generated from operating activities	3,652,669	2,880,059
Employees' end of service benefits paid	(8,583)	(16,456)
Finance costs paid	(198,829)	(215,374)
Zakat and income tax paid	(80,378)	(154,768)
Net cash generated from operating activities	3,364,879	2,493,461
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment of property and equipment	(1,763,503)	(1,128,240)
Payment of intangible assets	(38,839)	(40,378)
Proceeds from disposal of property and equipment	692	22
Net proceed from short term Murabaha	676,907	1,294,294
Finance income received	124,073	111,007
Net cash (used in) / generated from investing activities	(1,000,670)	236,705
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of borrowings	(233,568)	(6,019,888)
Borrowings received	-	4,135,000
Payment of lease liabilities	(314,731)	(272,083)
Dividends paid	(975,443)	-
Net cash used in financing activities	(1,523,742)	(2,156,971)
Net changes in cash and cash equivalents	840,467	573,195
Cash and cash equivalents at beginning of the period	1,399,542	1,654,378
Cash and cash equivalents at end of the period	2,240,009	2,227,573

The attached notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements.

Acting Chief Financial Officer

Chief Executive Officer

Chairman



## 1 CORPORATE INFORMATION

### 1.1 Etiihad Etisalat Company

Etiihad Etisalat Company ("Mobily" or the "Company"), a Saudi Joint Stock Company, is registered in the Kingdom of Saudi Arabia under commercial registration number 1010203896 (Unified Number: 7001469365) issued in Riyadh on 14 December 2004 (corresponding to 2 Dhul Qa'adah 1425H). The address of the Company's head office is P.O. Box 23088, Riyadh 11321, Kingdom of Saudi Arabia.

The Company was incorporated pursuant to the Royal decree number M/40 dated 18 August 2004 (corresponding to 2 Rajab 1425H) approving the Council of Ministers resolution number 189 dated 10 August 2004 (corresponding to 23 Jumada II 1425H) to approve the award of the license to incorporate a Saudi Joint Stock Company under the name of "Etiihad Etisalat Company".

Pursuant to the Council of Ministers resolution number 190 dated 10 August 2004 (corresponding to 23 Jumada II 1425H), the Company obtained the licenses to install and operate mobile telephone network including all related elements and the provision of all related services locally and internationally through its own network.

Pursuant to the Communications, Space & Technology Commission (CST) resolution number 5125 dated 21 February 2017 (corresponding to 24 Jumada I 1438H), the Company obtained a Unified License to provide all licensed telecommunication services including fixed line voice services and fixed internet services.

The Company's main activity is to establish and operate mobile wireless telecommunications network, fiber optics networks and any extension thereof, manage, install and operate telephone networks, terminals and communication unit systems, in addition to sell and maintain mobile phones and communication unit systems and providing information technology, cybersecurity, information security and artificial intelligence solutions in the Kingdom of Saudi Arabia. The Company commenced its commercial operations on 25 May 2005 (corresponding to 17 Rabi Al-Thani 1426H).

The authorized, issued and paid up share capital of the Company is SR 7,700 million divided into 770 million shares of SR 10 each.

### 1.2 Subsidiary Companies

Below is the summary of Company's subsidiaries and ownership percentage as at 30 June 2025 and 31 December 2024:

<u>Name</u>	<u>Country of incorporation</u>	<u>Ownership percentage</u>	
		<u>Direct</u>	<u>Indirect</u>
Mobily Infotech India Private Limited (1.2.1)	Republic of India	99.99%	0.01%
Zajil International Network for Telecommunication Company (1.2.2)	Saudi Arabia	96.00%	4.00%
National Company for Business Solutions (1.2.3)	Saudi Arabia	100.00%	-
National Company for Business Solutions FZE (1.2.4)	United Arab of Emirates	-	100.00%
Mobily Ventures Holding W.L.L (1.2.5)	Kingdom of Bahrain	100.00%	-
Etiihad Fintech Company (1.2.6)	Saudi Arabia	100.00%	-

\* On 15 March 2021, the Board of Directors of Etiihad Etisalat Company approved to liquidate Zajil International Network for Telecommunication Company, which is still in the process of completing the procedures and legal requirements for its liquidation.

## 2 BASIS OF ACCOUNTING

### 2.1 Statement of Compliance

These interim condensed consolidated financial statements comprise the financial information of the Company and its subsidiaries (together referred to as the 'Group').

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

### 2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared on historical cost basis unless stated otherwise using the going concern basis of assumption.

### 2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal ("SR") which is the functional currency of the Group. All amounts have been rounded off to the nearest thousands Saudi Riyal unless otherwise stated.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in preparation of these interim condensed consolidated financial statements are in accordance with IFRS Accounting Standards "IFRS" that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA which are consistent with those that were applied in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements have been consistently applied to all periods presented.

There are amendments to the standards that could be applicable to the Group and come into effect at 1 January 2025. The Group believes that it does not have material impact on the Group's interim condensed consolidated financial statements.

### AMENDMENTS AND INTERPRETATIONS

Lack of exchangeability – Amendments to IAS 21
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The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

## 4 MATERIAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2024 prepared in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA.

**5 PROPERTY AND EQUIPMENT**

- During the six-month period ended 30 June 2025, the Group acquired property and equipment with a cost of SR 945 million (for six-month period ended 30 June 2024: SR 607 million).
- During the three and six-months periods ended 30 June 2025, the depreciation expense amounted to SR 657 million and SR 1,305 million, respectively (for the three and six-months periods ended 30 June 2024: SR 649 million and SR 1,307 million, respectively).

**6 INTANGIBLE ASSETS**

- During the six-month period ended 30 June 2025, the additions to intangible assets amounted to SR 1,752 million (for the six-month period ended 30 June 2024: SR 1.5 million).
- On 11 November 2024, the Company obtained a 15-year license to use 120 MHz of spectrum for a total value of SR 2,485 million after its participation in the spectrum auction held by CST in the frequency bands (600, 700, 3800) MHz for mobile telecommunications networks, this spectrum is available for use starting from 1 January 2025. Accordingly, the Company reclassified the advance payment previously presented under non-current financial and other assets amounting to SR 268 million to intangible assets during the period.
- During the three and six-months periods ended 30 June 2025, the amortization expense amounted to SR 119 million and SR 240 million, respectively (for the three and six-months periods ended 30 June 2024: SR 90 million and SR 180 million, respectively).

**7 RIGHT OF USE ASSETS**

- During the six-month period ended 30 June 2025, the net additions to right of use assets amounted to SR 446 million (for the six-month period ended 30 June 2024: SR 277 million). all these additions are non-cash additions.
- During the three and six-months periods ended 30 June 2025, the depreciation expense amounted to SR 156 million and SR 312 million, respectively (for the three and six-months periods ended 30 June 2024: SR 152 million and SR 302 million, respectively).

**8 ACCOUNTS RECEIVABLE**

	30 June 2025	31 December 2024
Accounts receivable	6,610,943	6,280,388
Less: allowance for impairment loss on accounts receivable	(2,397,008)	(2,350,829)
	<b>4,213,935</b>	<b>3,929,559</b>

The movement of the allowance for impairment loss on accounts receivable is as follows:

	30 June 2025	31 December 2024
Balance at the beginning of the period / year	(2,350,830)	(2,194,606)
Charge for the period / year	(19,877)	(142,272)
Adjustments during the period / year	(26,301)	(68,726)
Write off during the period / year	-	54,775
Balance at the end of the period / year	<b>(2,397,008)</b>	<b>(2,350,829)</b>

**9 RELATED PARTIES TRANSACTIONS AND BALANCES****9.1 Related party transactions**

The Group has the following related parties:

<u>PARTY</u>	<u>RELATIONSHIP</u>
Emirates Telecommunication Group Company PJSC	Founding shareholder
Emirates Data Clearing House	Associate to Founding shareholder
Etisalat Misr S.A.E.	Subsidiary to Founding shareholder
Etisalat Afghanistan	Subsidiary to Founding shareholder
Etisalat Al Maghrib S.A (Maroc Telecom)	Subsidiary to Founding shareholder
Pakistan Telecommunication Company Limited	Subsidiary to Founding shareholder
Emirates Cable TV and Multimedia LLC	Subsidiary to Founding shareholder
Ufone	Subsidiary to Founding shareholder
Sehati for Information Service Company	Joint venture
Integrated Data Company for Information Technology	Joint venture

The Group transacted with related parties in ordinary course of business. Following are the details of major transactions with related parties for the three and six-months period ended 30 June 2025 and 2024:

	<u>For the three-month period ended 30 June</u>		<u>For the six-month period ended 30 June</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interconnection services and roaming services rendered	15,995	26,730	38,288	55,307
Interconnection services and roaming services received	93,294	77,103	185,536	133,294
Other telecommunication services	2,642	2,855	5,195	5,105

- Services rendered to related parties comprise of the provision of telecommunication service, interconnection services and roaming services by the Group based on normal commercial terms. Services received from related parties comprise of telecommunication service, interconnection services and roaming services to the Group based on normal commercial terms.
- The Company has other transactions related to roaming with international telecommunications service providers through the Emirates Telecommunications Group (PJSC), where transactions revenues for the three and six-months periods ended 30 June 2025 amounted to SR 22 million and SR 36 million, respectively (2024: SR 15 million and SR 28 million, respectively) and transactions expenses for the three and six-months periods ended 30 June 2025 amounted to SR 15 million and SR 29 million, respectively (2024: SR 15 million and SR 29 million, respectively).

**COMPENSATION AND BENEFITS TO BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

	<u>For the three-month period ended 30 June</u>		<u>For the six-month period ended 30 June</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Compensation and benefits	44,477	29,734	83,997	59,803
Compensation and benefits - post-employment	1,065	930	2,112	1,829
Total compensation	45,542	30,664	86,109	61,632

9 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

9.2 Related party balances

	30 June 2025	31 December 2024
Due from related parties		
Founding shareholder and its Associates & Subsidiaries	121,430	105,416
Joint ventures	1,916	1,916
	<b>123,346</b>	<b>107,332</b>
Due to related parties		
Founding shareholder and its Associates & Subsidiaries	214,898	193,439
	<b>214,898</b>	<b>193,439</b>

10 STATUTORY RESERVE

On 1 June 2023, the Company's General Assembly approved amending the Company's by-laws to comply with the New Companies' Law issued on 1 Dhul-Hijjah 1443 H (corresponding to 30 June 2022), whereby Article No. 44 of the bylaws relating to the statutory reserve was deleted, based on the recommendation of the Board of Directors. The Company's General Assembly, in its meeting held on 21 Dhu al-Hijjah 1445 H (corresponding to 27 June 2024), agreed to transfer the balance of the statutory reserve amounting to SR 2,648,971 thousand as in the consolidated financial statements for the year ended 31 December 2023 to the retained earnings balance.

11 BORROWINGS

On 17 January 2024, the Company signed a Murabaha financing agreement with Saudi National Bank in the amount of SR 4.8 billion and a financing period of 7 years, with better terms and competitive interest rates for the purpose of financing working capital, in addition to an additional medium-term Murabaha financing for partial refinancing of the Company's existing financing. This agreement is in line with the Company's long-term financial objectives and its capital restructuring strategy.

The Company used the amount of SR 3,685 million, amount of drawdown during the first quarter of 2024, from the financing agreement to partially refinance the syndicated loan amounting to SR 5,333 million.

The agreement does not include any mortgages or financial guarantees.

During the first quarter of 2024, the Company drawdown amounting to SR 450 million from the existing available credit limit with Alinma bank according to the credit facility agreement dated Q4,2019 to finance capital expenditure.

Etihad Etisalat Company (A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

For the three and six- months periods ended 30 June 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

12 FINANCIAL ASSETS AND LIABILITIES

12.1 Financial assets

	30 June 2025	31 December 2024
Financial assets at fair value:		
Financial assets - fair value through other comprehensive income *	2,387	4,062
Derivatives financial instruments**	-	12,576
Total financial assets at fair value	2,387	16,638
Financial assets at amortized cost:		
Accounts receivable	4,213,935	3,929,559
Due from related parties	123,346	107,332
Short term Murabaha	1,109,467	1,786,374
Cash and cash equivalents	2,240,009	1,399,542
Restricted cash	191,755	250,071
Accrued income	20,950	26,366
Other financial assets	112,150	119,670
Total financial assets at amortized cost	8,011,612	7,618,914
Total financial assets	8,013,999	7,635,552
Current	8,011,612	7,631,490
Non-current	2,387	4,062
Total financial assets	8,013,999	7,635,552

12.2 Financial liabilities

	30 June 2025	31 December 2024
Financial liabilities at amortized cost:		
Borrowings	5,957,202	6,184,710
Lease liabilities	3,481,716	3,274,855
Accounts payable	2,917,212	3,603,538
Due to related parties	214,898	193,439
Frequency spectrum licenses	1,367,682	135,676
Dividends payable	15,551	15,551
E- Wallet obligations and other	209,806	250,895
Total financial liabilities at amortized cost	14,164,067	13,658,664
Total financial liabilities	14,164,067	13,658,664
Current	5,133,531	5,545,659
Non-current	9,030,536	8,113,005
Total financial liabilities	14,164,067	13,658,664

\* The fair value of these unquoted equity shares was categorized as level 3.

\*\* The fair value of these derivatives financial instruments was categorized as level 2.

Fair value of financial assets and financial liabilities measured at amortized cost are not significantly different from their carrying amounts.

**13 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net profit by the weighted average number of common shares outstanding during the period. The diluted earnings per share is same as the basic earnings per share as the Group does not have any dilutive instruments.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
Profit for the period	829,944	661,119	1,596,614	1,298,893
Weighted average number of shares	770,000	770,000	770,000	770,000
Basic and diluted earnings per share (in SR)	1.08	0.86	2.07	1.69

**14 COMMITMENTS AND CONTINGENCIES****14.1 Capital commitments**

The Group has capital commitments resulting from contracts for supply of property and equipment with an amount of SR 3,714 million as at 30 June 2025 (31 December 2024: SR 1,472 million).

**14.2 Contingent liabilities**

- The Group had contingent liabilities in the form of letters of guarantee and letters of credit amounting to SR 649 million as at 30 June 2025 (31 December 2024: SR 593 million).
- The CST violation committee has issued several penalty resolutions against the Group amounting to SR 32 million as of 30 June 2025 (31 December 2024: SR 27 million). The Group filed multiple lawsuits against CST at the Board of Grievances in order to oppose such resolutions of the CST violation committee which remains outstanding and based on the status of these lawsuits as of 30 June 2025, the Group's management believes that sufficient provisions have been recorded.
- The Group, in its ordinary course of business, is subject to proceedings, lawsuits and other claims. However, based on the status of these lawsuits as of 30 June 2025 and 31 December 2024, the Group's management believes that sufficient provisions have been recorded.

**15 SEGMENT INFORMATION**

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 "Operating Segments" which requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM") and used to allocate resources to the segments and to evaluate their performance.

The Group is primarily engaged in providing of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the Kingdom of Saudi Arabia. The operating segments that are regularly reported to the CODM are Consumer, Business, Wholesale and Outsourcing.

Below are examples of revenues included in each sector:

**Consumer Revenue:** The Consumer Revenue segment includes products and services such as voice calls, mobile Internet, and fixed Internet.

**Business Revenue:** The Business Revenue segment includes products and services such as fixed connectivity and customized solutions including cloud and data center services.

**Wholesale revenue:** The Wholesale segment includes products and services such as interconnection, transition and roaming services between operators.

**Others revenue:** includes revenues from outsourcing services (human resources) and digital financial wallet services.

## 15 SEGMENT INFORMATION (CONTINUED)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
Consumer revenue	3,012,382	2,837,887	6,040,652	5,769,551
Business revenue	1,129,781	1,045,771	2,249,598	2,108,807
Wholesale revenue	566,396	480,341	1,079,831	929,673
Others revenue	119,865	101,205	235,814	202,653
<b>Total revenue</b>	<b>4,828,424</b>	<b>4,465,204</b>	<b>9,605,895</b>	<b>9,010,684</b>
Total cost of revenue	(2,205,921)	(2,087,245)	(4,429,108)	(4,187,770)
Depreciation and amortization	(931,715)	(890,869)	(1,856,283)	(1,789,008)
Total other operating expense	(799,469)	(727,840)	(1,579,235)	(1,521,437)
Net other income and expenses	(38,675)	(69,552)	(101,162)	(150,406)
Zakat and income tax	(22,700)	(28,579)	(43,493)	(63,170)
<b>Net profit</b>	<b>829,944</b>	<b>661,119</b>	<b>1,596,614</b>	<b>1,298,893</b>
Capital expenditures	566,118	385,557	2,696,590	608,907

## 16 SUBSEQUENT EVENT

No material events occurred subsequent to the reporting date, which could materially affect the interim condensed consolidated financial statements, and the related disclosures for the three and six-months periods ended 30 June 2025.

## 17 DIVIDENDS

- On 18 February 2025, the Board of Directors of the Company, pursuant to the delegated authorities by the General Assembly, decided to distribute interim cash dividends for the second half for the year 2024 amounting to SR 1,001 million (SR 1.30 per share on 770 million shares).

The Company paid these dividends on 9 April 2025.

- On 21 July 2025, the Board of Directors of the Company, pursuant to the delegated authorities by the General Assembly, decided to distribute interim cash dividends for the first half for the year 2025 amounting to SR 924 million (SR 1.20 per share on 770 million shares).

The Company will pay these dividends on 19 August 2025.

## 18 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors approved the interim condensed consolidated financial statements for the three and six-months periods ended 30 June 2025 on 21 July 2025 (corresponding to 26 Muharram 1447H).