

**MOBILE TELECOMMUNICATIONS
COMPANY SAUDI ARABIA
(A Saudi Joint Stock Company)**

**Interim Condensed Consolidated
Financial Statements (Unaudited)
For the three and six months period ended
30 June 2025**

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025

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KPMG Professional Services Company

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Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the shareholders of Mobile Telecommunications Company Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mobile Telecommunications Company Saudi Arabia – a Saudi Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2025, the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2025 and the notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, ‘Interim Financial Reporting’ that is 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 the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements 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 30 June 2025 interim condensed consolidated financial statements of Mobile Telecommunications Company Saudi Arabia are not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia.



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

To the shareholders of Mobile Telecommunications Company Saudi Arabia (continued)

Other Matter

The interim condensed consolidated financial statements of the Group for the three-month and six-month periods ended 30 June 2024 and three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 19 Muharram 1446H (corresponding to 25 July 2024) and 10 Thul – Qi'dah 1446H (corresponding to 08 May 2025) respectively. In addition, the consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 21 Sha'ban 1446H (corresponding to 20 February 2025).

KPMG Professional Services Company



Fahad Mubark Aldossari

License No.: 469

Al Riyadh, 2 Safar 1447 H

Corresponding to: 27 July 2025

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

(All amounts in SAR thousands unless otherwise stated)

ASSETS		30 June 2025	31 December 2024
Non-current assets	Notes	(Unaudited)	(Audited)
Property and equipment	6	4,623,012	4,977,368
Intangible assets	6	13,572,076	13,556,680
Right of use assets	7	1,417,075	1,098,144
Capital advances		855,909	901,595
Long term prepaid expenses		22,889	8,477
Investment in an associate and joint venture		8,973	8,973
Contract assets		289,400	271,341
Total non-current assets		20,789,334	20,822,578
Current assets			
Inventories		193,351	263,180
Contract assets		137,792	122,600
Derivative financial instruments	19	10,985	28,504
Trade receivables and other assets	5	6,754,386	6,058,398
Cash and cash equivalents	4	385,905	840,201
Total current assets		7,482,419	7,312,883
Total assets		28,271,753	28,135,461
LIABILITIES AND EQUITY			
Non-current liabilities			
Borrowings	8	2,846,882	2,233,558
Lease liabilities	7	1,510,912	1,302,316
Employees' end of service benefits obligation		181,552	179,267
Spectrum payable	10	1,180,642	931,407
Total non-current liabilities		5,719,988	4,646,548
Current liabilities			
Trade and other payables		5,700,208	5,632,908
Dividend payable	16	3,749	2,500
Provisions		97,694	133,575
Zakat payable	17	58,871	71,513
Deferred income and contract liabilities		334,393	306,244
Current portion of borrowings	8	5,356,588	5,965,202
Current portion of lease liabilities	7	226,070	186,680
Amounts due to related parties	9	314,102	483,454
Total current liabilities		12,091,675	12,782,076
Total liabilities		17,811,663	17,428,624
Equity			
Share capital	11	8,987,292	8,987,292
Hedging reserve	19	10,985	28,504
Other reserve		14,072	14,072
Retained earnings		1,447,741	1,676,969
Total equity		10,460,090	10,706,837
Total liabilities and equity		28,271,753	28,135,461

Mehdi Khalfaoui
CFO

Eng. Saad Abdulrahman Alsadhan
CEO

Eng. Abdullah Fahad Alfari
Chairman

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the three-months period ended		For the six-months period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue	14	2,653,712	2,552,199	5,343,950	5,087,375
Cost of revenue		(1,028,232)	(1,011,740)	(2,133,157)	(2,001,744)
		1,625,480	1,540,459	3,210,793	3,085,631
Distribution and marketing expenses		(554,251)	(555,919)	(1,157,726)	(1,125,120)
General and administrative expenses		(102,070)	(114,371)	(213,793)	(254,357)
Depreciation and amortization		(544,947)	(538,656)	(1,084,400)	(1,061,322)
Charge of expected credit loss		(119,043)	(89,823)	(175,735)	(152,413)
Operating profit		305,169	241,690	579,139	492,419
Finance income		3,324	7,609	7,653	19,747
Government grant income		-	52,257	-	52,257
Other expense		(1,480)	(2,995)	(1,030)	(4,355)
Finance cost	13	(175,572)	(185,812)	(350,850)	(368,149)
Profit before zakat		131,441	112,749	234,912	191,919
Zakat	17	(4,074)	(7,550)	(14,775)	(20,213)
Profit for the period		127,367	105,199	220,137	171,706
Other comprehensive income / (loss)					
Item that will not be reclassified subsequently to profit or loss:					
Remeasurement of employees' end of service benefits obligation		-	8,538	-	8,538
Item that may be reclassified subsequently to profit or loss:					
Fair value change in hedging instruments entered into for cash flow hedges	19	(9,569)	(9,969)	(17,519)	(8,511)
Total other comprehensive (loss) / income		(9,569)	(1,431)	(17,519)	27
Total comprehensive income for the period		117,798	103,768	202,618	171,733
Earnings per share (in ﷲ)					
Basic and diluted	12	0.14	0.12	0.24	0.19

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MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(All amounts in ~~th~~ thousands unless otherwise stated)

	Share capital	Hedging reserve	Other reserve	Statutory reserve	Retained earnings	Total
Balance at 1 January 2025 - Audited	8,987,292	28,504	14,072	-	1,676,969	10,706,837
Profit for the period	-	-	-	-	220,137	220,137
Other comprehensive loss	-	(17,519)	-	-	-	(17,519)
Total comprehensive (loss) / income	-	(17,519)	-	-	220,137	202,618
Dividends – note 16	-	-	-	-	(449,365)	(449,365)
Balance as at 30 June 2025 - Unaudited	8,987,292	10,985	14,072	-	1,447,741	10,460,090

Balance at 1 January 2024 – Audited	8,987,292	75,634	(1,471)	203,099	1,326,866	10,591,420
Profit for the period	-	-	-	-	171,706	171,706
Other comprehensive (loss) / income	-	(8,511)	8,538	-	-	27
Total comprehensive (loss) / income	-	(8,511)	8,538	-	171,706	171,733
Transfer from statutory reserve	-	-	-	(203,099)	203,099	-
Dividends – note 16	-	-	-	-	(449,365)	(449,365)
Balance as at 30 June 2024 – Unaudited	8,987,292	67,123	7,067	-	1,252,306	10,313,788



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MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ﷲ thousands unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		234,912	191,919
Charge of expected credit loss (ECL)		175,735	152,413
Depreciation and amortization	6	1,084,400	1,061,322
Other income – net		(6,301)	(72,004)
Inventory obsolescence provision		255	4,106
Finance costs		350,850	368,149
Foreign currency loss		322	-
Employees' end-of-service benefits obligation		12,610	16,952
		1,852,783	1,722,857
Changes in working capital			
Trade receivables and other assets		(871,723)	(1,193,821)
Inventories		69,574	(39,026)
Contract assets		(33,250)	61,223
Trade and other payables		278,598	760,217
Deferred income and contract liabilities		28,149	(88,216)
Spectrum payable and other	10	(188,698)	(215,956)
Cash flows generated from operations		1,135,433	1,007,278
Employees' end of service benefits obligation paid		(10,325)	(2,763)
Zakat paid	17	(27,417)	(21,977)
Net cash generated from operating activities		1,097,691	982,538
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(332,132)	(949,619)
Purchase of intangible assets		(190,810)	(191,846)
Net cash used in investing activities		(522,942)	(1,141,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	8	(2,304,071)	(553,097)
Proceeds from borrowings	8	2,104,071	874,847
Payment of principal portion of lease liabilities		(119,788)	(109,230)
Dividend paid		(437,911)	-
Finance cost paid		(270,498)	(383,457)
Net cash used in financing activities		(1,028,197)	(170,937)
Net decrease in cash and cash equivalents		(453,448)	(329,864)
Effect of movements in exchange rates on cash and cash equivalents		(322)	-
Cash and cash equivalents at beginning of the year		839,133	944,974
Cash and cash equivalents at end of the period	4	385,363	615,110

Non-cash transactions:

Adjustment to property and equipment with corresponding to trade payables and capital advances	246,393	(173,905)
Adjustment to property and equipment with corresponding to loan	(186,753)	-
Adjustment to intangible assets with corresponding to trade payables	230,010	328,676
Changes in fair value of derivative financial instruments	(17,519)	(8,511)
Termination adjustment in right of use asset (ROU)	(6,740)	(13,796)
Termination adjustment in lease liability (LL)	(4,965)	(10,714)
Addition in ROU with corresponding impact in LL	473,063	322,437
Net impact of modification in ROU with corresponding impact in LL	976	(831)

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The accompany notes (1) to (21) form an integral part of these interim condensed consolidated financial statements

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in ﷲ thousands unless otherwise stated)

1 ORGANIZATION AND ACTIVITIES

1.1 General Information

The Company is a "Saudi Joint Stock Company" established pursuant to the Ministerial Resolutions No. 176 dated 25 Jumada I' 1428H (corresponding to 11 June 2007) and No. 357 dated 28 Dhu Al-Hijjah 1428H (corresponding to 7 January 2008), Royal Decree No. 48/M dated 26 Jumada I' 1428H (corresponding to 12 June 2007), the Commercial Registration No. 1010246192 issued in Riyadh, Kingdom of Saudi Arabia (KSA) on 4 Rabi I' 1429H (corresponding to 12 March 2008) to operate as the 3rd GSM public mobile cellular and the Company obtained technology neutral license in the Kingdom of Saudi Arabia for twenty five (25) years.

Mobile Telecommunications Company Saudi Arabia (the "Company") along with its subsidiaries (together the "Group"), provides mobile telecommunication services in the Kingdom of Saudi Arabia in which it operates, purchases, sells, distributes, delivers, installs, manages and maintains mobile telephone services and equipment. As well, the Group provides consulting services; constructs and repair telecom towers; provides fintech services and provide technical drones services along with selling and repairing drones as mentioned in note 1.2.

The registered address of the Company is P.O. Box 295814, Riyadh 11351, Kingdom of Saudi Arabia.

The Company is a subsidiary of Mobile Telecommunications Company K.S.C.P. Kuwait ("Zain Group"). Zain Group's ultimate parent company is Oman Telecommunications Company SAOG, Oman.

The Group realized net profit for the six months period ended 30 June 2025, ﷲ 220.1 million (30 June 2024: ﷲ 171.7 million) and had retained earnings of ﷲ 1,447.7 million as at 30 June 2025 (31 December 2024: ﷲ 1,677 million) and the current liabilities of the Group exceed the current assets of the Group by ﷲ 4,609.3 million (31 December 2024: ﷲ 5,469 million) which includes ﷲ 314.1 million (31 December 2024: ﷲ 483 million) due to related parties (refer note 9). Based on the latest approved business plan, the Group's management believes that the Group will be successful in meeting its obligations in the normal course of operations. The management of the Group have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

1.2 Subsidiaries

The Company established the following fully owned subsidiaries in KSA:

- a. Zain Sales Company – limited liability company owned by one person is engaged in distributing, selling telecom equipment and handsets; and providing consulting services. Share capital ﷲ 10,000. The company was incorporated on 22 Safar 1440H (corresponding to 31 October 2018) and started its operation in the first quarter of 2019.
- b. Tamam Finance Company – closed joint stock company is engaged in providing fintech services. The company was incorporated on 10 Shaban 1440H (corresponding to 15 April 2019) and started its operation during the fourth quarter of 2019. The company has increased the share capital from ﷲ 148 million to ﷲ 248 million on 17 October 2024.
- c. Zain Drones Company Limited - limited liability company owned by one person engaged in providing professional, scientific and technical drones services along with selling and repairing drones. Share capital ﷲ 10,000. The company was incorporated on 22 Shawwal 1440H (corresponding to 25 June 2019) and started its operation during the fourth quarter of 2019.
- d. Data Reach Company – a limited liability company has been formed with a share capital of ﷲ 5,000 to engage in activities of data sciences and analysis, data processing, establishing web hosting infrastructure and cloud computing. The company was incorporated on 3 Ramadan 1444H (corresponding to 25 March 2023) but has not commenced operation as at reporting date.
- e. Saira Group Company – SMC has been formed on 12 Rajab 1445H (corresponding to 24 January 2024) with a share capital of ﷲ 50,000 to engage in activities of investment and management of subsidiaries, which has not commenced operations as at reporting date.

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in ﷲ thousands unless otherwise stated)

2 BASIS OF PREPERATION

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2024 annual consolidated financial statements.

Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments.

Functional and presentation currency

These consolidated financial statements are presented in ﷲ which is the functional currency of the Company. All the amounts have been rounded off to the nearest thousand unless otherwise stated.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its annual consolidated financial statements for the year ended 31 December 2024.

New Standards, Amendment to Standards and Interpretations:

▪ ***New standards, interpretations and amendments effective for current period***

There are no new standards issued, however, there is an amendment to IAS 21 which are effective from 1 January 2025 and has been explained in the Group's annual consolidated financial statements, but it does not have a material effect on the Group's interim condensed consolidated financial statements.

▪ ***New standards, interpretations and amendments not yet effective***

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standards, interpretations, amendments	Effective date
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	1 January 2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet disclosed

The Group is currently working to identify all impacts the new standards, interpretations, amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in ﷲ thousands unless otherwise stated)

4 CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash on hand	2,128	2,103
Cash at banks	383,777	538,098
Short term deposits	-	300,000
Cash and bank balance	385,905	840,201
Cash at bank under lien*	(542)	(1,068)
	385,363	839,133

The Group invests part of the surplus cash in time deposits with maturity period of three month or less with local commercial banks. The annual commission average rates on these deposits during six months period ended 30 June 2025 were 5.3% (six months period ended 30 June 2024: 5.7%). The total commission earned by the Group during three and six months period ended 30 June 2025 was ﷲ 3.3 million and ﷲ 7.7 million, respectively (three and six months period ended 30 June 2024: ﷲ 7.6 million and ﷲ 19.7 million, respectively).

* Cash at bank under lien represents the guarantees provided by the Group against cash margin on the balance kept in bank.

5 TRADE RECEIVABLES AND OTHER ASSETS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Gross trade receivables	5,407,551	5,018,062
Less: ECL*	(1,240,569)	(1,095,283)
Net trade receivables	4,166,982	3,922,779
Other receivables	2,587,404	2,135,619
	6,754,386	6,058,398

* During the six months period ended 30 June 2025 the Group further charged ﷲ 207.5 million and net written off ﷲ 62.1 million (six month period ended 30 June 2024: charged ﷲ 158.4 million and net written off ﷲ 59.37 million). During the six months period, the Group recovered ﷲ 31.8 million. (six months period ended 30 June 2024: ﷲ 6 million).

6 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months period ended 30 June 2025, the Group acquired property and equipment amounted to ﷲ 173.8 million (30 June 2024: ﷲ 111 million) and intangible assets amounted to ﷲ 413.6 million (30 June 2024: ﷲ 8.2 million). During the six months period ended 30 June 2025, the Group disposed property and equipment with a net book value of ﷲ 52 thousand (30 June 2024: nil) resulting in a net gain on sale of property and equipment disposed amounting to ﷲ 27 thousand (30 June 2024: nil).

During the three and six months period ended 30 June 2025, the total depreciation and amortization expense amounted to ﷲ 545 million and ﷲ 1,084.4 million respectively, out of which ﷲ 464.5 million and ﷲ 926.3 million relates to property and equipment and intangible assets and the remaining amount of ﷲ 80.5 million and ﷲ 158.1 million, respectively, relates to the depreciation charge for right of use assets (30 June 2024: the total depreciation and amortization expense for three and six months amounted to ﷲ 539 million and ﷲ 1,061 million out of which ﷲ 466 million and ﷲ 925 million relates to property and equipment and intangible assets and the remaining amount of ﷲ 73 million and ﷲ 136 million relates the depreciation charge for right of use assets).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in ﷲ thousands unless otherwise stated)

7 RIGHT OF USE ASSETS AND LEASE LIABILITIES

During the six months period ended 30 June 2025, the Group added leases of ﷲ 473 million with equivalent corresponding impact to lease liabilities (six months period ended 30 June 2024: ﷲ 322.4 million). Similarly, the Group modified gain or terminated leases with an impact of ﷲ 4 million in right of use assets and of ﷲ 7 million in lease liabilities (three and six months period ended 30 June 2024: ﷲ 7 million and ﷲ 9 million respectively).

The total amortization for the three and six months period ended 30 June 2025 for right of use assets amounts to ﷲ 81 million and ﷲ 158 and finance charges for lease liabilities recorded in interim condensed consolidated statement of profit or loss and other comprehensive income amounts to ﷲ 27 million and ﷲ 54 million, respectively (for three and six months period ended 30 June 2024: amortization ﷲ 74 million and ﷲ 137 million and finance charges ﷲ 25 million and ﷲ 44 million, respectively).

The Group mostly leases indoor and outdoor spaces for installation of its telecommunications sites. Rental contracts are typically made for fixed periods of 1 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

8 BORROWINGS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Syndicate Murabaha facility (refer to note 8-1)	4,686,588	4,658,888
Working Capital Murabaha facility (refer to note 8-1)	-	370,000
Murabaha facility agreement (refer to note 8-2)	1,924,034	1,934,071
CAPEX vendor financing facility agreement (refer to note 8-3)	922,848	735,801
Account receivable factoring (refer to note 8-3)	500,000	500,000
Working Capital Murabaha facility (refer to note 8-4)	170,000	-
Total borrowings*	8,203,470	8,198,760

The current and non-current amounts are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current borrowings	5,356,588	5,965,202
Non-current borrowings	2,846,882	2,233,558
Total borrowings	8,203,470	8,198,760

The carrying amounts of the Group borrowings are denominated in the following currencies:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ﷲ	7,328,920	7,260,334
US Dollar (presented in ﷲ)	874,550	938,426
	8,203,470	8,198,760

** Accrued financial cost on these borrowings amounts to ﷲ 57.5 million (31 December 2024: ﷲ 62.5 million) are classified in trade and other payables.*

8-1 Syndicated Murabaha facility

On 27 September 2020, the Group refinanced and extended the maturity date of its existing five years syndicated Murabaha facility (MFA) obtained from the commercial banks for a total amount available up to ﷲ 6,000 million with two years grace period, at three or six months SIBOR plus margin and three or six months SOFR plus margin (2024: three or six months SIBOR plus margin, three or six months LIBOR plus margin and three or six months SOFR plus margin). Moreover, the agreement includes a working capital facility of ﷲ 1,000 million bringing the total facility amounting to ﷲ 7,000 million until 2025.

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(UNAUDITED) (CONTINUED)
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8 BORROWINGS (continued)

8-1 Syndicated Murabaha facility (continued)

As at 30 June 2025, the Group has drawn ﷲ 5,968 million (31 December 2024: ﷲ 6,338 million), including ﷲ 5,968 million (31 December 2024: ﷲ 5,968 million) from long term facility and ﷲ nil (31 December 2024: ﷲ 370 million) from working capital facility, out of total facility of ﷲ 7,000 million. As at 30 June 2025, total unused working capital facility against MFA amounting to ﷲ 1,000 million has been cancelled. (31 December 2024: Unused portion was ﷲ 630 million).

Financing charges, as specified under the “Murabaha financing agreement” are payable in quarterly or half yearly installments over five years. MFA is secured partially by a guarantee from Mobile Telecommunications Company K.S.C.P and a pledge of shares of the Group owned by some of the founding shareholders and assignment of certain contracts and receivables and fixed assets up to the outstanding balance at the date of reporting as mentioned above.

8-2 Murabaha facility with MOF

During 2013, the Group signed an agreement with the Ministry of Finance (MOF), Kingdom of Saudi Arabia to defer payments of its dues to the Government for the next seven years ending May 2020. These deferred payments under agreement contain commercial commission payable annually, while the amount is repayable in seven years starting from June 2021 as per original terms, which was then revised in 31 October 2021. Based on revised scheduling the first repayment has been settled in November 2021.

On 20 February 2023, the Group has signed a revised agreement with MOF in which the existing deferral of payment to MOF along with commercial commission payable is converted into a Murabaha facility with MOF and Al Rajhi Banking & Investment Corporation has been appointed as the Murabaha Facility Agent. The facility matures on June 2027 with yearly scheduled repayment on 1 June every year till maturity, starting from June 2024. Finance charges are payable in either quarterly or yearly frequency, to be decided at each repayment term by the Group. The accrued interest related to the MOF payable is recorded under trade and other payables. The facility doesn't have any security assigned to it.

During the period ended 31 March 2025, the group has repaid the facility with MOF in full and obtained a new Islamic Shariah compliant facility amounting to ﷲ 1,934 million from Al Rajhi bank repayable in a single bullet payment upon its maturity on 14 Shawwal 1451H corresponding to 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 SIBOR

8-3 CAPEX vendor financing facility agreement and account receivable factoring

On 13 May 2024, the Group signed with Al Rajhi bank for ﷲ 1,625 million facility including transaction cost amounting to ﷲ 11.25 million to fund for the CAPEX expenditure payment against several projects and receivables discounting banking facility up to ﷲ 500 million. The Group has availed ﷲ 934.2 million out of CAPEX facility and ﷲ 500 million out of account receivable factoring facility as at the reporting period. (31 December 2024: ﷲ 747 million out of CAPEX facility and ﷲ 500 million out of account receivable factoring facility). The interest amounting to ﷲ 14.71 million and ﷲ 27.4 million has been capitalized by the Group during three and six month period ended 30 June 2025 based on effective interest rate of the loan (three and six month period ended 30 June 2024: nil and ﷲ 2.7 million).

8-4 Working Capital Murabaha facility

On 30 April 2025, Tamam Finance Company signed with Al Rajhi bank for ﷲ 200 million working capital Murabaha facility to fund for the short term expenditure and be repayable within twelve months. During the period, Tamam has obtained the loan amounting to ﷲ 170 million at three months SIBOR plus margin.

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9 TRANSACTIONS AND AMOUNTS DUE TO RELATED PARTIES

The Group has the following related parties:

Party	Relationship
Oman Telecommunications Company SAOG	Parent Company of Mobile Telecommunications Company K.S.C.P (ultimate parent)
Mobile Telecommunications Company K.S.C.P (Zain Group)	Founding shareholder / Parent Group
Zain Bahrain B.S.C ("MTCB")	Subsidiary to Founding Shareholder
Sudanese Mobile Telephone (Zain) Company Limited ("Zain Sudan")	Subsidiary to Founding Shareholder
Mobile Telecommunications Company Lebanon ("MTCL")	Subsidiary to Founding Shareholder
Zain Iraq/Atheer Telecom Iraq Limited 'Atheer'	Subsidiary to Founding Shareholder
Zain Global Communications Co. SPC	Subsidiary to Founding Shareholder
Zain Tech Solutions FZ- LLC	Subsidiary to Founding Shareholder
Zain Omantel International – ZOI	Subsidiary to Founding Shareholder
FOO (Holding) SAL	Subsidiary to Founding Shareholder
Infra Capital Investments Company	Founding Shareholder
Integrated Data Company for Information Technology L.L.C	Investee

During the current period, the Group entered into the following trading transactions with related parties:

	For the three months period ended		For the six months period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue from entities owned by shareholder	11,178	15,890	27,856	19,035
Purchases from entities owned by shareholder	32,586	25,017	59,884	40,219
Fees charged by a Founding Shareholder (refer note 9.1)	42,500	42,500	85,000	85,000
	For the three-months period ended		For the six-months period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Compensation and benefits - short term	6,507	10,352	13,016	21,146
Compensation and benefits - post-employment	534	946	1,167	1,944
	7,041	11,298	14,183	23,090

Short term benefits include remuneration for the Board amounting to ﷲ 4.6 million (30 June 2024: ﷲ 3.3 million).

The following balances were outstanding at the reporting date:

	30 June 2025 (Unaudited)	31 December 2024
Mobile Telecommunications Company K.S.C.P (refer to note 9.1)	254,997	
Mobile Telecommunications Company K.S.C.P (refer to note 9.2)	422	
Founding Shareholders (refer to note 9.3)	60,409	
Other related parties (refer to note 9.4)	(1,726)	
Current	314,102	

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9 TRANSACTIONS AND AMOUNTS DUE TO RELATED PARTIES (continued)

9-1 Mobile Telecommunications Company K.S.C.P

This amount relates to accrued management fees and is payable to the Group's largest shareholder. The amount is unsecured, interest free and does not have any fixed terms of repayment but is not repayable until certain conditions are met in the Syndicated Murabaha facility referred to in note 8-1.

9-2 Mobile Telecommunications Company K.S.C.P

This amount represents the other inter-company balance that are payable to shareholders and doesn't bear any interest.

9-3 Founding Shareholders

This amount relates to accrued finance charges and is payable to the Group's founding shareholders. The amount is unsecured and does not have any fixed terms of repayment but is not repayable until certain conditions are met in the Syndicated Murabaha facility referred to in note 8-1.

9-4 Other related parties

This amount includes amounts owing to related parties in lieu of operational expenses cross-charged.

10 SPECTRUM PAYABLE

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Non-current portion of spectrum payable (refer to note 10-1)	1,180,642	931,407
	1,180,642	931,407

10-1 Long-term payable – Spectrum

As of 30 June 2025, the total outstanding amount payable against spectrum amounts to ﷲ 1,369 million (31 December 2024: ﷲ 1,120 million) out of which ﷲ 189 million is recognized under trade and other payables as at 30 June 2025 (2024: ﷲ 189 million). The amount of the installment is to be settled annually based on the payment schedule agreed with Communications, Space and Technology Commission (CST).

During 2025, the Group has acquired an additional spectrum of 600MHz for a period of 15 years starting 1 January 2025, with an acquisition fee of ﷲ 624 million, payable in equal installment over 13 years starting from 1 July 2026.

11 SHARE CAPITAL

The Group has 898,729,175 (2024: 898,729,175) shares of ﷲ 10 each in issue as at the reporting date.

12 EARNINGS PER SHARE

Profit attributable to ordinary shareholders

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Group as the numerator, i.e. no adjustments to profit were necessary in 30 June 2025 or 30 June 2024. Profit attributable to the shareholders use in calculating EPS is ﷲ 220 million and ﷲ 127 million, respectively for the six months and three months period ended 30 June 2025 (six and three months period ended 30 June 2024: ﷲ 172 million and ﷲ 105 million, respectively).

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12 EARNINGS PER SHARE (continued)

Weighted average number of ordinary shares

The weighted average number of shares in the calculation of basic earnings per share is as follows:

	For the three-months period ended		For the six-months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Outstanding number of shares	898,729	898,729	898,729	898,729
Basic earnings per share (ﷲ)	0.14	0.12	0.24	0.19

Basic earnings per share is calculated by dividing the profit after zakat attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. There is no dilutive effect on the earnings per share of the Group.

13 FINANCE COST

	For the three-months period ended		For the six-months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance cost on bank loans	122,396	98,062	228,079	194,739
Finance cost on MOF loan	-	42,078	16,949	86,424
Finance cost on leases	26,506	24,700	53,699	43,904
Finance cost on spectrum	21,193	16,371	42,385	32,741
Finance cost on CSTs' deferred payment	971	3,191	2,512	6,914
Others	4,506	1,410	7,226	3,427
	175,572	185,812	350,850	368,149

14 SEGMENT REPORTING

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 - Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") and used to allocate resources to the segments and to assess their performance.

The Group is engaged mainly in providing telecommunication services and related products. Majority of the Group's revenues, income and assets relate to its operations within the Kingdom. Revenue is distributed to an operating segment based on the entity of the Group reporting the revenue. Sales between segments are calculated at normal business transaction prices.

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, fixed internet, VAS, sale of devices & SIM and related roaming revenues. Financial services from Tamam Finance Company are also included in this stream.

Business Revenue: The business revenue segment includes services such as voice calls, mobile internet, fixed internet, fixed connectivity and customized solutions including cloud and data center services, related roaming revenues.

Wholesale revenue: The wholesale segment includes products sold in bulk quantity and services such as FTTH revenue, site sharing revenue, transition, MVNO and roaming services between operators.

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14 SEGMENT REPORTING (continued)

The following is an analysis of the Group's revenues and results based on a segmental basis:

For the three month period ended 30 June 2025 (Unaudited)

Revenues	Zain KSA	Tamam	Others	Total
Consumer revenue	1,611,634	108,432	-	1,720,066
Business revenue	442,409	-	-	442,409
Wholesale revenue	718,535	-	-	718,535
Eliminations / adjustments	(227,298)	-	-	(227,298)
Total revenues	2,545,280	108,432	-	2,653,712
Cost of operations	(1,868,178)	(46,050)	(203)	(1,914,431)
Depreciation and amortization	(543,435)	(1,446)	(66)	(544,947)
Charge of expected credit loss (ECL)	(90,201)	(28,842)	-	(119,043)
Finance income	3,324	-	-	3,324
Other expense	(1,480)	-	-	(1,480)
Finance cost	(173,900)	(1,672)	-	(175,572)
Zakat	(937)	(3,137)	-	(4,074)
Elimination	229,878	-	-	229,878
Profit / (loss) for the period	100,351	27,285	(269)	127,367

For the three month period ended 30 June 2024 (Unaudited)

Revenues	Zain KSA	Tamam	Others	Total
Consumer revenue	1,494,722	87,724	-	1,582,446
Business revenue	453,610	-	-	453,610
Wholesale revenue	726,987	-	-	726,987
Eliminations / adjustments	(210,844)	-	-	(210,844)
Total revenues	2,464,475	87,724	-	2,552,199
Cost of operations	(1,860,967)	(35,339)	(517)	(1,896,823)
Depreciation and amortization	(536,991)	(1,566)	(99)	(538,656)
Charge of expected credit loss (ECL)	(68,624)	(21,199)	-	(89,823)
Finance income	7,609	-	-	7,609
Government grant income	52,257	-	-	52,257
Other expense	(2,995)	-	-	(2,995)
Finance cost	(185,785)	(27)	-	(185,812)
Zakat	(4,482)	(3,068)	-	(7,550)
Elimination	214,793	-	-	214,793
Profit / (loss) for the period	79,290	26,525	(616)	105,199

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14 SEGMENT REPORTING (continued)

For the six month period ended 30 June 2025 (Unaudited)

Revenues	Zain KSA	Tamam	Others	Total
Consumer revenue	3,212,473	216,422	-	3,428,895
Business revenue	877,294	-	-	877,294
Wholesale revenue	1,475,314	-	-	1,475,314
Eliminations / adjustments	(437,553)	-	-	(437,553)
Total revenues	5,127,528	216,422	-	5,343,950
Cost of operations	(3,853,249)	(89,115)	(542)	(3,942,906)
Depreciation and amortization	(1,081,343)	(2,919)	(138)	(1,084,400)
Charge of expected credit loss (ECL)	(118,567)	(57,168)	-	(175,735)
Finance income	7,653	-	-	7,653
Other expense	(1,030)	-	-	(1,030)
Finance cost	(347,125)	(3,725)	-	(350,850)
Zakat	(8,228)	(6,547)	-	(14,775)
Elimination	438,230	-	-	438,230
Profit / (loss) for the period	163,869	56,948	(680)	220,137

For the six month period ended 30 June 2024 (Unaudited)

Revenues	Zain KSA	Tamam	Others	Total
Consumer revenue	2,990,513	170,207	-	3,160,720
Business revenue	875,392	-	-	875,392
Wholesale revenue	1,468,634	-	-	1,468,634
Eliminations / adjustments	(417,371)	-	-	(417,371)
Total revenues	4,917,168	170,207	-	5,087,375
Cost of operations	(3,732,847)	(69,152)	(1,148)	(3,803,147)
Depreciation and amortization	(1,057,933)	(3,216)	(173)	(1,061,322)
Charge of expected credit loss (ECL)	(112,720)	(39,693)	-	(152,413)
Finance income	19,747	-	-	19,747
Government grant income	52,257	-	-	52,257
Other expense	(4,355)	-	-	(4,355)
Finance cost	(368,149)	-	-	(368,149)
Zakat	(15,315)	(4,898)	-	(20,213)
Elimination	421,926	-	-	421,926
Profit / (loss) for the period	119,779	53,248	(1,321)	171,706

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14 SEGMENT REPORTING (continued)

The following is an analysis of the Group's assets and liabilities based on a segmental basis:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Assets</u>		
Mobile Telecommunications Company	56,041,436	54,625,908
Tamam Finance Company	1,035,672	904,255
Others	4,324	4,462
Eliminations / adjustments	(28,809,679)	(27,399,164)
Total assets	28,271,753	28,135,461
<u>Liabilities</u>		
Mobile Telecommunications Company	45,804,529	44,085,309
Tamam Finance Company	470,956	396,487
Others	11,516	10,974
Eliminations / adjustments	(28,475,338)	(27,064,146)
Total liabilities	17,811,663	17,428,624

The major additions and disposals in property and equipment and intangibles along with associated depreciation and amortization related to Mobile Telecommunications Company Saudi Arabia.

14-1 Disaggregated revenue information

The total revenue disaggregated by major service lines is:

	For the three-months period ended		For the six-months period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Usage charges	1,570,730	1,575,973	3,110,052	3,132,074
Subscriptions	541,308	473,864	1,066,544	945,187
Sale of goods	296,242	280,615	680,028	568,999
Wholesale and infrastructure	137,000	134,021	270,904	270,908
Other revenues	108,432	87,726	216,422	170,207
	2,653,712	2,552,199	5,343,950	5,087,375

14-2 Timing of revenue recognition

	For the three-months period ended		For the six-months period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
PO satisfied over period of time	2,357,470	2,271,584	4,663,922	4,518,376
PO satisfied a point in time – trading income	296,242	280,615	680,028	568,999
	2,653,712	2,552,199	5,343,950	5,087,375

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15 CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had capital commitments of ﷲ 2,180 million as at the reporting date (31 December 2024: ﷲ 2,460 million). The Group had contingent liabilities as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Letters of guarantee	32,573	55,358
Letters of credit	218,750	218,750
	251,323	274,108

The Group in the normal course of business is subject to and also pursuing lawsuits, proceedings, penalties and fines imposed by the regulator, municipalities and other claims from suppliers and telecommunication providers. The Group, after having consulted with its internal and external legal counsel and technical advisors, believes that these matters are not expected to have a significant impact on the financial position or the results of operations of the Group.

The CST's violation committee has issued several penalty resolutions against the Group; which the Group has objected to. The reasons of issuing these resolutions vary between linking ID for the issued prepaid SIM Cards and providing promotions that have not been approved by CST and/or other reasons. As of 30 June 2025, the amount of lawsuits and violations amounts to ﷲ 4.5 million which has been provided for in full (31 December 2024: ﷲ 5.3 million).

15-1 With Holding Tax (WHT)

On 7 July 2015 (18 Ramadan 1436H), The Group received withholding tax assessments from Zakat, Tax and Customs Authority (ZATCA) for the years from 2009 to 2011 whereby ZATCA asked to pay an additional amount of ﷲ 267 million as withholding tax subject to delays penalty payable from the due date up to the settlement date equals to 1% for every 30 days. The Group appealed this claim on 27 August 2015 which resulted in the reduction of withholding tax claim by ﷲ 219 million to ﷲ 48 million, subject to delays penalty.

To appeal before the High Appeal Committee (HAC), the Group completed the required conditions in the Articles of the Saudi Tax Law, by paying the invoices issued by ZATCA amounting ﷲ 48 million on 16 November 2017 related to Withholding Tax (WHT) and issued a bank guarantee for the amount of ﷲ 43 million related to the penalty generated from the delay in paying the WHT.

On 3 June 2021, the HAC issued its decision on the final claim which was reduced to ﷲ 8.4 million. The Group has appealed against this decision to the Appeal Committee for Tax Violations and Disputes and the case is pending as at 30 June 2025.

The Group received additional assessment with an amount of ﷲ 100 million for certain withholding tax items for the years from 2015 to 2021. The Group has appealed those assessments against the relevant committees. The Group believes that the outcome of those appeals will be in the Group's favor with no material financial impact on the Group's interim condensed consolidated financial statements.

The Group was also subjected to WHT, for the years from 2012 to 2021, on International Interconnect traffic from ZATCA for payments made to International Operators. For any assessments received from ZATCA, the Group has rejected these claims and appealed at various judiciary bodies against these assessments. In the process of appealing against these claims, the Group had paid an amount of ﷲ 8.37 million and created a provision of ﷲ 148.18 million.

During 2022, the government decree number 484 on November 2022 clarified that there will be no WHT on International traffic prospectively. Considering the decree aligned the position of tax prospectively from 2022, the previous years were continued to be assessed by ZATCA and the Group continued to dispute and appeal against these assessments.

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15 CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

15-1 With Holding Tax (WHT) (continued)

During the year ended 31 December 2024, the Group received communication from ZATCA that the dues for WHT on International traffic will be borne by the Government. Accordingly, the Group has reversed a provision of ﷲ 148.18 million. The amount paid of ﷲ 8.37 million will be settled by the Group with dues payable to ZATCA for other ongoing assessments. There is no change in the status during the six months period ended 30 June 2025.

16 DIVIDEND AND DIVIDEND PAYABLE

Out of dividend declared for the years 2024, 2023 and 2022, ﷲ 3,749 million (31 December 2024: out of dividend declared for 2023 and 2022: ﷲ 2.5 million), was returned to the Company due to dormant accounts or missing information of beneficiaries, which is represented as dividend payable as at reporting date.

17 ZAKAT

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Zakat provision		
Balance at beginning of the period / year	71,513	144,232
Charge for the period / year	14,775	33,890
Reversed during the period / year	-	(75,777)
Paid for the period / year	(27,417)	(30,832)
Balance at end of the period / year	<u>58,871</u>	<u>71,513</u>

Status of assessments

The Group had finalized its zakat status up to 2008 and obtained the related certificate.

The Group had submitted its consolidated financial statements along with group zakat returns for the years from 2009 to 2024 and paid zakat according to the filed returns. From 2021 onwards, Tamam Finance Company is submitting, paying and obtaining zakat certificate form ZATCA separately, consequently the Group had submitted zakat return from 2021 till 2024 excluding Tamam Finance Company.

Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group received additional assessment of ﷲ 20.3 million for Zakat for the years from 2014 to 2018 which the Group has appealed against these additional claims to the relevant committees. The Group believes this will not result in any material additional provisions. Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group has not received zakat assessment for years 2019 to 2024.

Management of the Group estimates that there is no financial impact as the Group has sufficient provisions

On 12 Ramadan 1445H (corresponding to 22 March 2024), the Zakat, Tax and Customs Authority (ZATCA) announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No.1007 dated 19 Shaban 1445H (corresponding to 29 February 2024), which was electronically published in the Official Gazette on 11 Ramadan 1445H (corresponding to 21 March 2024). The new Zakat regulation is replacing the current regulation issued through MR No. 2216 dated 14 Rajab 1440H (corresponding to 14 March 2019).

In the light of new regulations, the Group has reassessed its' zakat provision and consequently has reversed additional provision charged in prior periods amounting to ﷲ 75.77 million during the year ended 31 December 2024.

Additionally, the Group has calculated zakat expense during the three and six months period ended 30 June 2025 which is in line with the new regulation which amounts to ﷲ 4 million and ﷲ 14.8 million (three and six months period ended 30 June 2024: ﷲ 7.6 and ﷲ 20.2 million, respectively in line with old regulation).

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18 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

18-1 Fair value Hierarchy

Assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

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).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All the financial assets and liabilities of the Group are carried at amortized cost except for derivative financial instruments. Therefore, the fair value hierarchy disclosure which requires a three-level category of fair value is not disclosed.

18-2 Carrying amount vs fair value

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Cash and cash equivalents
- Trade and other receivables
- Due to related parties
- Trade and other payables
- Borrowings
- Other non-current liabilities
- Investment FVTPL

		30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Fair value measurement hierarchy	Carrying value	Fair value	Carrying value	Fair Value
Derivative financial instruments	Level 2	10,985	10,985	28,504	28,504

18-3 Valuation techniques

These derivatives are valued using widely recognized valuation models. The Group relies on the counterparty for the valuation of these derivatives. The valuation techniques applied by the counterparties include the use of forward pricing standard models using present value calculations and mid-market valuations.

Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices.

19 DERIVATIVE FINANCIAL INSTRUMENTS

On 22 September 2020 Company entered into profit rate swaps, which matures in 2025. The maturity of the profit rate swap has been extended till the extended maturity of the refinanced loan (refer to note 8-1). The outstanding notional amount of the contract as at 30 June 2025 was ₪ 1,920 million (31 December 2024: ₪ 1,920 million) and the fair value was a positive amount of ₪ 11 million as at 30 June 2025 (31 December 2024: ₪ 28.5 million).

The average contracted fixed interest rate ranges from 2% to 3%. A loss of ₪ 9.5 million and ₪ 17.5 million was recognized in other comprehensive income for three and six months period ended 30 June 2025, respectively (three and six months period ended 30 June 2024: loss of ₪ 10 million and ₪ 8.5 million, respectively) as a result of fair value movements relating to this hedge. The fair value of profit rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract. As at reporting date all the critical terms of both hedge item and hedge instrument are the same, so the hedge is considered to be effective.

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in ﷲ thousands unless otherwise stated)

20 SUBSEQUENT EVENTS

There are no other 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 period ended 30 June 2025.

21 APPROVED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 29 Muharram 1447H (Corresponding to 24 July 2025).