

**Emirates Integrated Telecommunications  
Company PJSC and its subsidiaries**

**Consolidated financial statements  
for the year ended 31 December 2025**

**Emirates Integrated Telecommunications Company PJSC**

**Consolidated financial statements  
for the year ended 31 December 2025**

---

	Page(s)
<b>Independent auditor's report</b>	<b>1 – 6</b>
<b>Consolidated statement of financial position</b>	<b>7</b>
<b>Consolidated statement of comprehensive income</b>	<b>8</b>
<b>Consolidated statement of changes in equity</b>	<b>9</b>
<b>Consolidated statement of cash flows</b>	<b>10</b>
<b>Notes to the consolidated financial statements</b>	<b>11 – 64</b>



KPMG Lower Gulf Limited  
The Offices 5 at One Central  
Level 4, Office No: 04.01  
Sheikh Zayed Road, P.O. Box 3800  
Dubai, United Arab Emirates  
Tel. +971 (4) 4030300, [www.kpmg.com/ae](http://www.kpmg.com/ae)

## Independent auditors' report

### To the Shareholders of Emirates Integrated Telecommunications Company PJSC

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of Emirates Integrated Telecommunications Company PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable requirements of 'Standards on Auditing the Financial Statements of the Entities that are Subject to the control of the UAE Accountability Authority issued vide Federal Administrative Decision No. 157 of 2024' (UAE Accountability Authority Auditing Standards). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical and independence requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key Audit Matters (continued)**

<b>Revenue Recognition</b>	
<b>See Note 38 to the consolidated financial statements.</b>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group's revenue generation is driven by high-volume transactions involving a variety of customer offerings. We considered revenue recognition to be a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> <li>• The revenue cycle relies heavily on complex, interdependent IT systems and rating engines to process, and record large volume of traffic (voice and data) and usage events.</li> <li>• The Group offers diverse tariff structures and bundled contracts that frequently change. Applying IFRS 15 <i>Revenue from Contracts with Customers</i> to these arrangements is complex, particularly regarding the allocation of transaction prices between performance obligations (e.g., handsets vs. service plans).</li> <li>• The application of IFRS 15 requires management to exercise judgment, specifically in the determination of Standalone Selling Prices (SSPs) used to allocate transaction price in bundled arrangements.</li> <li>• There is a risk associated with accuracy of revenue due to potential inappropriate manual journal entries processed outside the automated billing systems.</li> </ul> <p>(Refer to Note 3 for accounting policies and Note 2 for critical accounting judgments and key sources of estimation uncertainty.)</p>	<p>Our audit procedures included a combination of control testing and substantive procedures. Our key procedures included:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the revenue cycle from contract inception to revenue recognition. We evaluated the design and implementation and also tested the operating effectiveness of key controls (both manual and automated) over the initiation, measurement, and recognition of revenue.</li> <li>• With the assistance of our IT specialists, we tested the General IT Controls (GITCs) and Automated Application Controls across the relevant IT systems. This included testing the integrity of interfaces and the reliability of system-generated reports.</li> <li>• We independently generated test traffic events (voice and data) using various parameters to verify that the rating engines accurately priced and billed these events in accordance with tariff plans.</li> <li>• We evaluated the Group's accounting policies against IFRS 15 requirements. Specifically, on a sample basis, we tested the methodology used to determine Standalone Selling Prices (SSPs) and tested the mathematical accuracy of the transaction price allocation.</li> <li>• We performed substantive analytical procedures by using predictive analysis based on historical monthly trends and non-financial metrics to form an independent expectation of revenue and identify significant variations.</li> <li>• We tested reconciliations between the billing systems and the general ledger.</li> <li>• On a sample basis, we tested underlying contracts and supporting documentation for a significant revenue stream to verify that the revenue recognized was as per the contractual terms and the Group's accounting policies.</li> <li>• We utilized data analytics tools to identify and examine journal entries posted to revenue accounts based on specific risk criteria, including test of journal entries selected based on the specific risk criteria.</li> <li>• We assessed the adequacy of the Group's disclosures in consolidated financial statements regarding revenue recognition against the requirements of the applicable financial reporting framework.</li> </ul>

**Key Audit Matters (continued)**

<b>Additions to Property, Plant and Equipment and Intangible Assets</b>	
See Note 6 to the consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group continues to incur significant capital expenditure on network infrastructure and technology upgrades, which is inherent to the nature of the telecommunications industry. We identified the capitalization of these costs as a key audit matter due to the magnitude of the additions and the complexity involved in the classification of these costs.</p> <p>Specifically, the high volume of transactions related to network rollouts and maintenance requires appropriate application of the recognition criteria under IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.</p> <p>There is a risk whether these costs were appropriately classified to distinguish between expenditure that generates future economic benefits (Capital Expenditure) versus those that maintain the asset's current standard of performance (Operating Expenses).</p>	<p>Our audit procedures included a combination of control testing and substantive tests of details. Our key procedures included:</p> <ul style="list-style-type: none"> <li>• We obtained the understanding of the capitalisation process of property, plant and equipment and intangible assets from purchase order creation till recognition of capital expenditure.</li> <li>• We evaluated the design and implementation and also tested the operating effectiveness of key controls over the capital expenditure process, including the authorization of projects and the management's review of capitalization criteria.</li> <li>• We evaluated whether the capitalization criteria and the Group's accounting policies on capitalization complies with the recognition criteria of IAS 16 and IAS 38.</li> <li>• On a sample basis, we obtained and inspected supporting documentation for costs capitalized during the year. For the selected samples, we: <ul style="list-style-type: none"> <li>○ Inspected third-party invoices, contracts, and project documentation to verify the nature of the expenditure;</li> <li>○ Evaluated whether the costs represented an enhancement to the network (CapEx) or maintenance of existing capacity (OpEx); and</li> <li>○ Checked that the costs were measured accurately and recorded in the correct period.</li> </ul> </li> </ul>

**Other matter**

The consolidated financial statements of the Group as at and for the year ended December 31, 2024, excluding the retrospective re-presentations described in Note 39, were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 10 February 2025.

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Report and information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of this auditors' report, and we expect to obtain the Annual Report after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended and applicable provisions of the laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and UAE Accountability Authority Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and UAE Accountability Authority Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, we report that for the year ended 31 December 2025:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 1 to the consolidated financial statements, the Company has purchased shares during the year ended 31 December 2025;
- vi) note 18 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- viii) note 1 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2025.

## Report on Other Legal and Regulatory Requirements (continued)

Further, as required by the UAE Accountability Authority Auditing Standards, we report that based on the procedures performed and information provided to us by management and those charged with governance, nothing has come to our attention that causes us to believe that the Company has not complied, in all material aspects, with any of the provisions of the following laws applicable to its activities, regulations and circulars as applicable, which would have a material impact on the consolidated financial statements as at 31 December 2025:

- i) its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and
- ii) relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Company's consolidated financial statements.

KPMG Lower Gulf Limited



Avtar Singh Jalif  
Registration No: 5413  
Dubai, United Arab Emirates

Date: 09 February 2026

# Emirates Integrated Telecommunications Company PJSC

## Consolidated statement of financial position

		As at 31 December	
	Note	2025 AED 000	2024* AED 000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	10,288,767	9,838,448
Right-of-use assets	7	1,515,395	1,657,217
Intangible assets	8	869,600	846,932
Goodwill	9	413,220	413,220
Investments accounted for using the equity method	10	511	2,716
Financial asset at fair value through other comprehensive income	11	-	2,334
Lease receivable	12	75,910	92,575
Trade receivables and contract assets	13	221,540	162,716
Contract costs	14	408,079	345,227
Other non-financial assets	15	28,535	17,857
<b>Total non-current assets</b>		<b>13,821,557</b>	<b>13,379,242</b>
<b>Current assets</b>			
Inventories	16	175,457	175,610
Lease receivable	12	18,464	19,027
Assets held for disposal	17	1,311	-
Trade receivables and contract assets	13	2,222,511	2,128,565
Contract costs	14	442,363	361,577
Due from related parties	18	27,481	21,732
Term deposits	19	1,784,019	1,299,283
Cash and bank balances	20	465,700	983,969
Other non-financial assets	15	416,846	324,287
<b>Total current assets</b>		<b>5,554,152</b>	<b>5,314,050</b>
<b>Total assets</b>		<b>19,375,709</b>	<b>18,693,292</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	27	4,532,906	4,532,906
Share premium	28	232,332	232,332
Other reserves	29	2,266,453	2,250,474
Retained earnings		3,116,600	2,862,733
<b>Total equity</b>		<b>10,148,291</b>	<b>9,878,445</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	21	1,346,678	1,436,688
Contract liabilities	22	198,877	233,029
Employees' end of service benefits liabilities	23	228,034	208,604
Other provisions	24	231,149	219,120
<b>Total non-current liabilities</b>		<b>2,004,738</b>	<b>2,097,441</b>
<b>Current liabilities</b>			
Trade and other payables	25	3,711,346	3,666,058
Federal royalty and income tax	26	2,283,439	1,923,452
Lease liabilities	21	592,141	561,999
Contract liabilities	22	629,724	559,180
Due to related parties	18	6,030	6,717
<b>Total current liabilities</b>		<b>7,222,680</b>	<b>6,717,406</b>
<b>Total liabilities</b>		<b>9,227,418</b>	<b>8,814,847</b>
<b>Total equity and liabilities</b>		<b>19,375,709</b>	<b>18,693,292</b>

\*Refer to Note 39

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents, in all material respects the financial position, results of operations and cash flows of the Group as at, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors on 9 February 2026 and signed on its behalf by:

Abdulla Mohammed Ahmad Albasti Almarri  
Board Member

Kais Ben Hamida  
Chief Financial Officer

# Emirates Integrated Telecommunications Company PJSC

## Consolidated statement of comprehensive income

		For the year ended 31 December	
		2025	2024*
	Note	AED 000	AED 000
<b>Revenue</b>			
Mobile		7,074,936	6,548,135
Fixed		4,379,705	4,002,658
Wholesale		2,568,222	2,373,068
ICT and associated telecom services		1,882,558	1,712,056
<b>Total revenue</b>	38	15,905,421	14,635,917
<b>Direct costs</b>			
Interconnect cost		(2,914,172)	(2,811,223)
Commission cost		(686,408)	(596,223)
Devices and other direct services cost		(1,658,845)	(1,410,996)
<b>Total direct costs</b>		(5,259,425)	(4,818,442)
<b>Net operating expenses before depreciation and amortization</b>			
Network and other maintenance expense		(963,878)	(945,376)
Marketing expense		(292,293)	(264,122)
Staff expense		(1,105,328)	(1,070,046)
Administrative expense		(189,654)	(222,911)
Telecommunication license and related fees		(433,959)	(422,496)
Other operating expense	30	(133,192)	(164,885)
Impairment - trade, lease receivables and contract assets (net of recoveries)		(211,020)	(261,268)
Other operating income		21,716	3,468
<b>Total net operating expenses before depreciation and amortization</b>		(3,307,608)	(3,347,636)
<b>Operating profit before depreciation and amortization</b>		7,338,388	6,469,839
Depreciation and amortization	31	(2,167,933)	(2,153,590)
<b>Operating profit</b>		5,170,455	4,316,249
Share of loss on equity accounted investments		(894)	(2,427)
Interest income	32	74,672	82,214
Impairment loss - deposits, cash and bank balances		(57)	(115)
<b>Profit before financing, federal royalty and income tax</b>		5,244,176	4,395,921
Interest expense	32	(95,054)	(89,770)
<b>Profit before federal royalty and income tax</b>		5,149,122	4,306,151
Federal royalty		(1,956,602)	(1,571,649)
Income tax expense		(287,435)	(246,955)
<b>Net Profit for the year</b>		2,905,085	2,487,547
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be re-classified to profit or loss</i>			
Fair value loss on financial asset (at FVOCI)		(1,278)	(612)
Actuarial (loss)/gain on defined benefit obligations		(5,484)	7,403
Related income tax		608	(615)
<b>Other comprehensive (loss)/income (net of income tax)</b>		(6,154)	6,176
<b>Total comprehensive income for the year</b> <small>(attributable to shareholders of the Company)</small>		2,898,931	2,493,723
Basic and diluted earnings per share (AED)	33	0.64	0.55

\*Refer to Note 39

The notes on pages 11 to 64 are an integral part of these consolidated financial statements.

(8)

# Emirates Integrated Telecommunications Company PJSC

## Consolidated statement of changes in equity

	Share capital AED 000	Share premium AED 000	Other reserves AED 000	Retained earnings AED 000	Total AED 000
<b>At 1 January 2024</b>	4,532,906	232,332	2,251,031	2,226,944	9,243,213
Net Profit for the year	-	-	-	2,487,547	2,487,547
Fair value changes on financial asset at fair value through other comprehensive income – net of tax	-	-	(557)	-	(557)
Actuarial gain on defined benefit obligations – net of tax	-	-	-	6,733	6,733
<b>Total comprehensive (loss)/ income for the year</b>	-	-	(557)	2,494,280	2,493,723
Final cash dividend paid	-	-	-	(951,910)	(951,910)
Interim cash dividend paid	-	-	-	(906,581)	(906,581)
<b>At 31 December 2024</b>	4,532,906	232,332	2,250,474	2,862,733	9,878,445
<b>At 1 January 2025</b>	4,532,906	232,332	2,250,474	2,862,733	9,878,445
Net Profit for the year	-	-	-	2,905,085	2,905,085
Fair value changes on financial asset at fair value through other comprehensive income – net of tax	-	-	(1,163)	-	(1,163)
Actuarial loss on defined benefit obligations – net of tax	-	-	-	(4,991)	(4,991)
<b>Total comprehensive (loss)/ income for the year</b>	-	-	(1,163)	2,900,094	2,898,931
Transfer of realized loss on sale of FVOCI financial asset shares	-	-	17,142	(17,142)	-
Final cash dividend paid <sup>(1)</sup>	-	-	-	(1,541,188)	(1,541,188)
Interim cash dividend paid <sup>(2)</sup>	-	-	-	(1,087,897)	(1,087,897)
<b>At 31 December 2025</b>	4,532,906	232,332	2,266,453	3,116,600	10,148,291

<sup>(1)</sup> For the year 2024, a final cash dividend of AED 0.34 (2023: AED 0.21) per share was paid on 15 April 2025.

<sup>(2)</sup> For the period 2025, an interim cash dividend of AED 0.24 (2024: AED 0.20) per share was paid on 21 August 2025.

For the year 2025, a final cash dividend of AED 0.40 per share amounting to AED 1,813,162 thousand is proposed.

# Emirates Integrated Telecommunications Company PJSC

## Consolidated statement of cash flows

	Note	For the year ended 31 December	
		2025 AED 000	2024* AED 000
<b>Cash flows from operating activities</b>			
Operating profit		5,170,455	4,316,249
Adjustments for:			
Depreciation and amortization	31	2,167,933	2,153,590
Service cost for employees' end of service benefits		22,061	21,451
(Release)/charge of allowance for inventory obsolescence		(6,619)	8,874
Impairment – trade, lease receivables and contract asset		249,069	293,255
Unrealized foreign exchange (gain)/loss		(2,052)	1,685
Changes in other operating assets and liabilities	34	(469,805)	(207,741)
Cash generated from operations		7,131,042	6,587,363
Federal royalty paid		(1,636,274)	(1,928,939)
Income tax paid		(247,168)	-
Payment of employees' end of service benefits	23	(17,777)	(21,916)
<b>Net cash generated from operating activities</b>		<b>5,229,823</b>	<b>4,636,508</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,038,501)	(1,535,742)
Purchase of intangible assets		(314,729)	(384,726)
Proceeds from disposal of property, plant and equipment		1,134	874
Proceeds from financial asset (at FVOCI)		1,056	-
Interest received		70,600	76,114
Margin on guarantees placed		-	(66)
Net change in term deposits (placed)/matured		(485,000)	27,319
<b>Net cash used in investing activities</b>		<b>(2,765,440)</b>	<b>(1,816,227)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(2,629,085)	(1,858,491)
Repayment of lease liabilities		(282,473)	(524,252)
Interest paid on lease liabilities		(71,094)	(63,671)
<b>Net cash used in financing activities</b>		<b>(2,982,652)</b>	<b>(2,446,414)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(518,269)</b>	<b>373,867</b>
Cash and cash equivalents at 1 January		981,557	607,690
<b>Cash and cash equivalents at 31 December</b>		<b>463,288</b>	<b>981,557</b>

\*Refer to Note 39

Non-cash transactions are disclosed in Note 34 of the consolidated financial statements.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025

### 1 General information

Emirates Integrated Telecommunications Company PJSC (“the Company”) is a public joint stock company with limited liability. The Company was incorporated according to Ministerial Resolution No. 479 of 2005 issued on 28 December 2005. The Company is registered in the commercial register under No. 77967. The principal address of the Company is P.O Box 502666 Dubai, United Arab Emirates (UAE). These consolidated financial statements for the year ended 31 December 2025 include the financial statements of the Company and its subsidiaries (together the “Group”).

The Group’s principal objective is to provide fixed, mobile, wholesale, broadcasting and associated telecommunication services in the UAE. During the year, the Group has invested additional share capital in EITC Financial Services LLC. An amount of AED 1,160 thousand (2024: AED 1,120 thousand) was paid for various social contributions.

At the end of 2025, the Company has either direct or indirect ownership in the following subsidiaries:

Subsidiaries	Principal activities	Shareholding		Country of incorporation
		2025	2024	
EITC Investment Holdings Limited	Holding investments in various businesses.	100%	100%	UAE
Telco Operations FZ-LLC	Outsourcing services	100%	100%	UAE
Smart Dubai Platform Project Company LLC	Software development, IT infrastructure, IT network and computer systems housing services.	100%	100%	UAE
EITC Singapore Pte. Ltd.	Telecommunications resellers/third party telecommunications providers.	100%	100%	Singapore
EITC Solutions LLC	Computer network & infrastructure installation, project management, IT network and datacenter colocation services.	100%	100%	UAE
EITC Financial Services LLC	Financial services company hosting digital wallet, retail payment, service provision brokerage and loyalty card services.	100%	100%	UAE

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) and complies with the applicable requirements of the UAE Federal Decree Law No. (32) of 2021, as amended. These consolidated financial statements have been prepared under the historical cost convention except for financial assets at fair value through other comprehensive income (“FVOCI”) that have been measured at fair value. The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The Group has adopted IFRS 18 *presentation and disclosure in financial statements*, as disclosed in Note 39, in compliance with transition requirements. In addition, the Group has reclassified certain non-current assets held for disposal according to the accounting policy in Note 17.

#### (i) *Functional and presentation currency*

The individual financial statements of each of the Group’s subsidiaries, associates and joint venture are presented in the currency of the primary economic environment in which they operate (its functional currency) as provided in Note 3.19.

#### (ii) *Basis of consolidation*

A subsidiary is an entity controlled by the Company. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### (iii) *Going concern*

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### 2.1 New standards, amendments and interpretations

#### a) *New and amended standards adopted by the Group*

The Group has applied the below amendments for the first time for their annual reporting period commencing 1 January 2025:

- Amendments to IAS 21 – Lack of Exchangeability

The above amendment did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2. Basis of preparation (continued)

#### 2.1 New standards, amendments and interpretations (continued)

(b) *New standards and amendments issued but not yet effective.*

- IFRS 18 – Presentation and Disclosure in the Financial Statements
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- IFRS 19 – Subsidiaries without Public Accountability Disclosures
- Amendment to IFRS 10 and IAS 28 - Sale and Contribution of Assets between an Investor and its Associates or Joint Ventures

Other than early adoption of IFRS 18, the above stated new standard and amendments issued but not yet effective have not been early adopted by the Group. The management is in the process of assessing the impact of the other amendments which will be adopted in the Group's consolidated financial statements as and when they become effective.

#### 2.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below:

#### Critical accounting judgements

##### (i) *Asset retirement obligations*

The Group exercises judgement in determining the expected cash outflows related to its asset retirement obligations.

The present value of the Group's provision is based on management's best estimate of the future cash outflows required to settle the obligations, discounted using appropriate discount rate. Additional information on this provision is disclosed in Note 24.

##### (ii) *Allocation of the transaction price*

Products with multiple deliverables that have value to customers on a stand-alone basis are defined as multiple element arrangements. The transaction price for these contracts is allocated to the performance obligations on a relative stand-alone selling price basis.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Basis of preparation (continued)

#### 2.2 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### (ii) Allocation of the transaction price (continued)

Management estimates the stand-alone selling price at contract inception based on observable prices of the type of goods to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to performance obligations based on their relative stand-alone selling prices. Where the stand-alone selling prices are not directly observable, they are estimated based on expected cost-plus margin.

##### (iii) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

#### Key sources of estimation uncertainty

##### (i) Provision for expected credit losses of trade receivables, due from related parties and contract assets

The Group recognizes a loss allowance for expected credit losses (“ECL”) on its trade receivables, due from related parties and contract assets. The approach for calculating ECL is provided in Note 3.18.1.

##### (ii) Provision for impairment of other financial assets

For all other financial assets, the Group calculates ECL using the general approach. The Group measures the loss allowance as provided in Note 3.18.1.

##### (iii) Impairment of goodwill

The recoverable amount of a cash-generating unit (“CGU”) has been determined based on value-in-use calculations. These calculations are performed internally by the management and require the use of estimates and assumptions. The input factors most sensitive to change are management estimates of future cash flows based on budgets, growth rates and discount rate. Further details on these assumptions have been disclosed in Note 9.

##### (iv) Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the Group’s asset base. Therefore, the judgements made in determining their estimated useful lives and residual values are critical to the Group’s financial position and performance.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Basis of preparation (continued)

#### 2.2 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### (iv) *Useful lives of property, plant and equipment (continued)*

In determining residual values, the Group uses historical sales and management's best estimate based on market prices of similar items. Useful lives of property, plant and equipment are based on management estimates and take into account historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets. The useful lives of the property, plant and equipment are provided in Note 3.2

##### (v) *Impairment of property, plant and equipment and intangible assets*

Property, plant and equipment and intangible assets are assessed for impairment based on assessment of cash flows on individual CGUs when there is indication of impairment. Management did not identify any impairment indicators in the current or prior year for individual CGUs. However, management identified certain individual items of property, plant and equipment and intangible assets for which future economic benefit is not expected and, accordingly, recorded an impairment and the detail of which are provided in Notes 6 and 8.

##### (vi) *Discounting of lease payments*

The lease payments are discounted using the Group's incremental borrowing rate ("IBR") or the rate implicit in the lease, if readily determinable. For calculation of IBR, the Group has taken the interest rate from external sources which is then adjusted for Group's specific risk, term risk and underlying asset risk.

### 3 Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below:

#### 3.1 Consolidation

##### (a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.1 Consolidation (continued)

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

##### (b) *Changes in ownership interests in subsidiaries*

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in the statement of comprehensive income. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

#### 3.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	Years
Buildings	10-25
Plant and equipment	3-25
Furniture and fixtures	3-5
Motor vehicles	4-5

The residual values and useful lives of the assets are reviewed and adjusted if appropriate, at the end of each reporting period on a prospective basis.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.2 Property, plant and equipment (continued)

Capital work in progress includes assets which are under construction or inspection pending certification for their intended use and are stated at cost net of any accumulated impairment losses. When available for use, capital work in progress is transferred to property, plant and equipment and depreciated in accordance with the Group's policies. No depreciation is charged on such assets until available for use.

#### 3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Group as a lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

	Years
Land and buildings	1-30
Furniture and fixtures	8-13

Right-of-use assets are assessed for impairment as per non-financial assets impairment policy detailed in Note 3.18.2.

###### ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payment).

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.3 Leases (continued)

##### Group as a lessor

The Group also enters into lease agreements as a lessor. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Amounts due from lessees under finance leases are recognized as lease receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognizing an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortized cost (i.e., after a deduction of the loss allowance).

#### 3.4 Intangible assets

##### Telecommunications license

Telecommunications license is shown at historical cost. The license has a finite useful life and is carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the license over the term of the license as shown below:

	Years
Telecommunications license	20

##### Computer software

Acquired computer software are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of five to ten years. Maintenance cost related to computer software programmes are recognized as an expense as incurred.

Capital work in progress includes assets which are under development or inspection pending certification for their intended use and are stated at cost net of any accumulated impairment losses. When available for use, capital work in progress is transferred to software in use and amortized in accordance with the Group's policies. No amortization is charged on such assets until available for use.

# **Emirates Integrated Telecommunications Company PJSC**

## **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

### **3 Summary of material accounting policies (continued)**

#### **3.5 Goodwill**

Goodwill arises on the acquisition of subsidiaries or businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

#### **3.6 Associate and joint venture**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. The changes are recognized in profit or loss. Any change in Other Comprehensive Income ("OCI") of those investees is presented as part of the Group's OCI.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the impairment loss in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value.

Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

# **Emirates Integrated Telecommunications Company PJSC**

## **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

### **3 Summary of material accounting policies (continued)**

#### **3.7 Assets held for disposal**

Assets held for disposal refers collectively to non-current assets classified as either held for sale or held for distribution to owners in accordance with IFRS 5. An asset is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than continued use. Similarly, it is classified as held for distribution to owners when the entity is committed to distribute the asset to its owners.

The assets held for disposal are available for immediate sale or distribution in the present condition and actions have been initiated to finalize the disposal within one year from the date of classification. These actions taken are unlikely to change or be withdrawn.

Comparative amounts in the statement of financial position are not re-presented to reflect this classification.

Assets held for sale or distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell or distribute, except for investments measured at fair value through other comprehensive income.

#### **3.8 Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. It excludes borrowing costs. Allowance is made, where appropriate, for deterioration and obsolescence. Cost is determined in accordance with the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### **3.9 Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the consideration is received or before payment is due, a contract asset is recognized. Contract assets are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method, less provision for impairment.

#### **3.10 Trade and other receivables**

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the expected collection date is in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method, less provision for impairment.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.11 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

#### 3.12 Cash and bank balances

Cash and bank balances comprise cash balances and call deposits with original maturities of three months or less from date of placement. Bank overdrafts, if any that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

#### 3.13 Financial instruments

##### 3.13.1 Non-derivative financial assets

###### Classification, initial recognition and measurement

The Group classifies its financial assets as financial assets measured at amortized costs and financial assets at fair value through other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15. For investments in equity instruments that are not held for trading, the Group may irrevocably elect to designate the equity investment at FVOCI. This election is made on an investment-by-investment basis.

###### *(a) Financial assets measured at amortized cost*

Financial assets measured at amortized cost applies to instruments for which the Group has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as solely payments of principal and interest).

Financial assets measured at amortized costs are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are then classified as non-current assets. The Group's financial assets measured at amortized costs comprise trade and other receivables, contract assets, due from related parties, term deposits and cash and bank balances in the consolidated statement of financial position.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.13 Financial instruments (continued)

##### 3.13.1 Non-derivative financial assets (continued)

###### (b) *Financial assets at fair value through other comprehensive income*

FVOCI is the classification for instruments for which Group has a dual business model, i.e., the business model is achieved by both holding the financial asset to collect the contractual cash flows and through the sale of the financial assets. The characteristics of the contractual cash flows of instruments in this category must still be solely payments of principal and interest. The Group elected to classify irrevocably its listed equity investments under this category.

###### Subsequent measurement

###### Financial assets measured at amortized cost

Financial assets measured at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

Gains and losses on these equity instruments are not subsequently reclassified to profit or loss following its derecognition. Dividends are recognized as other income in the statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the equity instruments, in which case such gains are recorded in OCI. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

###### **3.13.2 Non-derivative financial liabilities**

The Group non-derivative financial liabilities include borrowings, due to related parties and trade and other payables in the consolidated statement of financial position.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

###### **3.13.3 Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### 3.14 Share capital

Ordinary shares are classified as equity.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.15 Dividend on ordinary shares

Dividends payable on ordinary shares are recognized as a liability in the period in which they are approved by the Group's shareholders.

#### 3.16 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognized as finance costs in the consolidated statement of comprehensive income.

#### Asset retirement obligations

This provision relates to the estimate of the cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition.

#### 3.17 Employee benefits

Payments made to state-managed pension schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution scheme. Accordingly, the cost of contribution is charged to the consolidated statement of comprehensive income as incurred.

Provision for employees' end of service benefits for non-UAE nationals is made in accordance with UAE Labour Law. The provision is calculated in accordance with the Projected Unit Credit method as per IAS 19 'Employee Benefits' taking into consideration the UAE Labour Law.

The present value of the defined benefit obligations is calculated using assumptions on the average annual rate of increase in salaries, average period of employment of non-UAE nationals and an appropriate discount rate. The assumptions used are calculated on a consistent basis for each period and reflect management's best estimate.

The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in finance costs in the consolidated statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.17 Employee benefits (continued)

Provision is also made for the estimated liability for employees' unused entitlements to annual leave and flights as a result of services rendered by eligible employees up to the reporting date. The provision relating to annual leave and air passage is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability. The Group also provides discount on mobile, fixed line charges and devices to employees for official and personal purposes. This benefit is not separately accounted for as staff costs.

#### 3.18 Impairment

##### 3.18.1 Financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

(a) *Measurement of lifetime ECL on trade and lease receivables, due from related parties and contract assets*

The Group recognizes lifetime ECL for trade and lease receivables, due from related parties and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of general economic conditions at the reporting date.

The Group evaluates the ECL for its trade and lease receivables, due from related parties and contract assets based on probability of default using the Group's historical information adjusted with forward looking collection factors.

Periodic impairment losses based on the above debt flow rates are adjusted against security deposit and any other legally binding offsets at customer level. Provision for impairment is also taken on unbilled receivables based on the applicable rate.

In addition, an allowance for impairment loss may be considered for a financial asset on case-by-case basis based on specific information, company risk profile, market conditions and any other relevant information.

(b) *Measurement of ECL on term deposits, bank balances and other financial assets*

Impairment for terms deposits and bank balances is based on probability of default, calculated on the basis of ratings provided by credit rating agencies (e.g., Fitch, Moody's, etc.) of each bank and Loss Given Default driven by rating from reputable financial institutions.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.18 Impairment (continued)

##### 3.18.1 Financial assets (continued)

###### (b) *Measurement of ECL on term deposits, bank balances and other financial assets (continued)*

For all other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

##### 3.18.2 Non-financial assets

Intangible assets that have an indefinite useful life or intangible assets, property, plant and equipment (including capital work in progress) not ready to use are tested annually for impairment or whenever there is an indication of impairment.

Assets that are subject to amortization/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

#### 3.19 Foreign currency translation

##### (a) *Functional and presentation currency*

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The consolidated financial statements are presented in AED which is the Company's functional and presentation currency. The figures have been rounded to the nearest thousand except when otherwise stated.

##### (b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income within finance income or costs.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.19 Foreign currency translation (continued)

##### (b) *Transactions and balances (continued)*

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve. Since the presentation currency of the Group and its subsidiaries is AED or USD which is pegged to AED, there is no foreign currency translation reserve at reporting date.

#### 3.20 Revenue recognition

IFRS 15 Revenue from Contracts with Customers established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue comprises the invoiced or accrued amounts from the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns, discounts and rebates allowed.

Revenue recognition policies for product and services of the Group based on IFRS 15 guidelines are given below:

Revenue from telecommunication services comprise amounts charged to customers in respect of monthly access charges, airtime usage, messaging, the provision of other mobile telecommunications services, including data services providing information and communication technology (ICT) and fees for connecting fixed line and mobile users to the Group's network. The Group recognizes revenue, as services are provided.

Products with multiple deliverables that have value to a customer on a stand-alone basis are defined as multiple element arrangements. Contracts typically include the sale of handsets and other devices, subscriber identification module (SIM) card and a service package which mainly include voice, data, SMS/MMS, VAS or other services.

# **Emirates Integrated Telecommunications Company PJSC**

## **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

### **3 Summary of material accounting policies (continued)**

#### **3.20 Revenue recognition (continued)**

These arrangements are divided into separate performance obligations. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. Revenue recognition for voice, data, SMS/MMS, VAS or other services is over the period when these services are provided to the customers.

Revenue from sale of stand-alone handsets and other devices under separate contract is recognized when it is delivered to the end customer and control has been transferred.

Revenue from the sale of prepaid credit is recognized on the actual utilisation of the prepaid credit. Unused prepaid credit is deferred as contract liability until such time as the customer uses the credit, expires or becomes unutilised. Prepaid vouchers sold but not activated are recognized as revenue on expiry of 24 months.

Certain revenue from managed services provided by the Group, is recognized over time based on the cost-to cost method, i.e., based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. This input method is considered as an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Revenue from interconnection of voice and data traffic with other telecommunication operators is recognized at the time the services are performed based on the actual recorded traffic.

When the Group sells goods or services as a principal, revenue from customers and payments to suppliers are reported on a gross basis in revenue and operating expenses. If the Group sells goods or services as an agent, revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned.

#### **Variable Consideration**

Under IFRS 15, if consideration promised in the contract (either explicit or implicit) includes a variable amount, then the Group should estimate the amount and adjust the total transaction price at contract inception. Certain customer contracts include variable discounts, rebates, refunds, credits, and incentives etc, which are provided to the customers during the contract period. The Group also has certain interconnect and roaming contracts which contain such variable considerations, which are estimated by using the most likely amount method.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.20 Revenue recognition (continued)

##### Contract Modification

Contract modifications exist when the parties to the contract approve a modification that creates or changes the enforceable rights and obligations of the parties to the contract.

A modification is accounted for as either a separate contract (accounted for prospectively) or as part of the existing contract (accounted through a cumulative catch-up adjustment). This assessment is to be based on whether:

- (a) the modification adds distinct goods and services and
- (b) the distinct goods and services are priced at their stand-alone selling prices.

##### Significant financing component

Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In such circumstances, the contract contains a significant financing component.

Currently, in the case of handsets by instalments products (bundled and stand-alone) with periods exceeding one year, since the list price, cash selling price and the promised consideration are significantly equal, the Group has assessed that financing component does not exist. In principle, the Group considers any price difference above 5% as significant in making necessary accounting based on the practical expediency. However, if there are any changes in products structure indicating the existence of a financing component, above 5% - 6% of the stand-alone selling price of the products will be considered significant and accounted for accordingly.

#### 3.21 Commission to intermediaries

Intermediaries are paid commissions by the Group mainly in return for selling recharge credits, sims, products and related services. The Group recognizes commissions incurred to obtain a contract for providing goods or services to the customer as contract costs (subscriber acquisition costs). Contract costs are capitalized as these are expected to be recovered and amortized over the average customer life with the Group for each segment and tested for impairment.

The Group has applied the practical expedient for subscriber acquisition costs which have amortization period of less than 1 year. These are recognized in the consolidated statement of comprehensive income in the same period of services provided.

# **Emirates Integrated Telecommunications Company PJSC**

## **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

### **3 Summary of material accounting policies (continued)**

#### **3.22 Recognition of interest income and expense**

Interest income comprises mainly interest income on short-term investments, other bank deposits and lease receivables. Interest income is recognized as it accrues in consolidated statement of comprehensive income, using the effective interest rate method.

Interest costs is mainly interest payable on borrowing facilities obtained from financial institutions at commercial rates, amortization of loan arrangement fees, interest on lease liabilities, interest on employees' end of service benefits, interest on asset retirement obligations and is recognized as an expense in the consolidated statement of comprehensive income in the period in which it is incurred.

#### **3.23 Cash dividend distribution to equity holders of the parent**

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the UAE Federal Decree Law No. (32) of 2021, as amended concerning Federal Commercial Companies Law a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

#### **3.24 Segmental information**

Information regarding the Group's operating segments is reported 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 and used to allocate resources to the segments and to assess their performance.

#### **3.25 Government grants**

Government grants relating to non-monetary assets are recognized at nominal value. Grants that compensate the Group for expenses are recognized in the consolidated statement of comprehensive income on a systematic basis in the same period in which the expenses are recognized. Grants that compensate the Group for the cost of an asset are recognized in the consolidated statement of comprehensive income on a systematic basis over the expected useful life of the related asset upon capitalization.

#### **3.26 Federal royalty and income tax**

Federal royalty and income tax have been provided for in the consolidated financial statements in accordance with the royalty guidelines and tax laws enacted or substantively enacted at year end. The federal royalty and income tax charge comprises federal royalty, current tax and deferred tax which is recognized in profit or loss for the year, except if it relates to transactions that are also recognized, in the same or a different period, in other comprehensive income.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns.

Deferred tax is provided if there is temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Summary of material accounting policies (continued)

#### 3.26 Federal royalty and income tax (continued)

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### 4 Financial risk management

#### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange, cash flow and fair value interest rate risks and equity price risk). The Group's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit and Risk Management department. Both departments undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

##### (a) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (a) *Credit risk (continued)*

###### **Trade receivables, contract assets and due from related parties**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the extent to which credit terms are offered.

The management has established a credit policy under which new customer is analysed for creditworthiness before credit is granted. The Group's review can include external ratings, when available, customer segmentation, and in some cases bank references. Credit limits are established for each customer in accordance with this policy, which represents the maximum exposure without requiring approval from senior management. These limits are reviewed periodically.

In monitoring customer credit risk, customers are classified according to their credit characteristics, including whether they are an individual or legal entity, projected business volumes, new or established businesses and existence of previous financial relationships with the Group.

The Group may require deposit or collateral in respect of granting credit subject to results of risk assessment and the nature and volumes contemplated by the customer.

Information on the ageing of trade receivables, contract assets, due from related parties and due from other telecommunication operators is given in Note 36.1.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (a) Credit risk (continued)

###### Term deposits and cash and bank balances

Cash is placed with reputable banks and the risk of default is considered remote. The table below presents the external credit ratings as at 31 December of the Group's term deposits and bank balances.

Ratings	Term deposits		Cash and bank balances	
	2025 AED 000	2024 AED 000	2025 AED 000	2024 AED 000
Aa3/AA-	-	-	728	26,788
A1/A+	-	-	67,135	31,625
A2/A	515,000	500,000	56,186	227,049
A3/A-	340,000	700,000	148,169	434,184
Baa1/BBB+	930,000	100,000	157,510	237,565
Others	-	-	36,185	27,179
	1,785,000	1,300,000	465,913	984,390
Less: loss allowance	(981)	(717)	(213)	(421)
As at 31 December	<u>1,784,019</u>	<u>1,299,283</u>	<u>465,700</u>	<u>983,969</u>

##### (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's business and reputation. A major portion of the Group's funds are invested in short-term investments which are readily available to meet expected operational expenses, including servicing of financial obligations. The table in Note 36.2 analyses the Group's non-derivative financial liabilities and derivative financial liabilities, if any, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

##### c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's exposure to market risk arises from:

- Foreign exchange risk
- Cash flow and fair value interest rate risks
- Equity price risk

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### c) Market risk (continued)

###### (i) Foreign exchange risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency, primarily the Euro/GBP, other than the functional currency of the Company and its subsidiaries. In respect of the Group's transactions denominated in US Dollars ("USD"), the Group is not exposed to material currency risk as the AED is pegged to the USD at a fixed rate of exchange. The Group's exposure and sensitivity analysis in respect to the foreign exchange risk is detailed in Note 36.3.

###### (ii) Cash flow and fair value interest rate risks

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by short-term investments held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and interest rate swaps. The scenarios are run only for liabilities that represent the major interest-bearing positions.

###### (iii) Equity price risk

The Group is not significantly exposed to equity price risk as the balance of the investment in equity instrument designated at FVOCI is not material.

#### 4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings as shown in the consolidated statement of financial position, less cash and bank balances and term deposits.

	<b>31 December 2025 AED 000</b>	<b>31 December 2024 AED 000</b>
Total borrowings	-	-
Less: Term deposits/Cash and bank balances (Notes 19 and 20)	(2,249,719)	(2,283,252)
Net debt	(2,249,719)	(2,283,252)
Total equity	<u>10,148,291</u>	<u>9,878,445</u>
Gearing	-	-

Under the terms of the borrowing facility, the Group is required to comply with net debt to EBITDA financial covenant. The Group has complied with this covenant in 2025.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 5. Fair value estimation

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair values of the Group's financial assets and liabilities approximated their carrying values as reflected in these consolidated financial statements. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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 asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

	In AED 000			
	Level 1	Level 2	Level 3	Total
Financial asset at fair value through other comprehensive income (Note 11)	-	-	-	-
<b>At 31 December 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial asset at fair value through other comprehensive income (Note 11)	2,334	-	-	2,334
<b>At 31 December 2024</b>	<b>2,334</b>	<b>-</b>	<b>-</b>	<b>2,334</b>

Financial instruments comprise financial assets and financial liabilities. The fair values of these financial assets and liabilities are not materially different from their carrying values unless stated otherwise (Note 36).

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 6 Property, plant and equipment

	Buildings AED 000	Plant and equipment AED 000	Furniture and fixtures AED 000	Motor vehicles AED 000	Capital work in progress AED 000	Total AED 000
<b>Cost</b>						
At 1 January 2024	21,630	25,529,874	354,929	4,436	504,241	26,415,110
Additions	-	1,203,895	40,940	360	437,476	1,682,671
Addition: asset retirement obligations	-	3,140	-	-	-	3,140
Transfers	-	173,819	500	-	(174,319)	-
Disposals/write-offs	-	(195,629)	(24,970)	-	-	(220,599)
At 31 December 2024	21,630	26,715,099	371,399	4,796	767,398	27,880,322
Reclassifications	-	24,539	560	-	-	25,099
Additions	-	1,480,777	22,684	1,619	474,905	1,979,985
Addition: asset retirement obligations	-	4,358	-	-	-	4,358
Transfers	-	117,257	1,792	-	(119,049)	-
Disposals/write-offs	-	(139,126)	(9,648)	(1,380)	(2,163)	(152,317)
<b>At 31 December 2025</b>	<b>21,630</b>	<b>28,202,904</b>	<b>386,787</b>	<b>5,035</b>	<b>1,121,091</b>	<b>29,737,447</b>
 <b>Depreciation /impairment</b>						
At 1 January 2024	21,357	16,398,440	255,346	4,417	12,850	16,692,410
Charge for the year	273	1,517,743	31,847	6	-	1,549,869
Disposals/write-offs	-	(194,755)	(24,970)	-	-	(219,725)
Impairment charge	-	18,561	-	-	759	19,320
At 31 December 2024	21,630	17,739,989	262,223	4,423	13,609	18,041,874
Reclassifications	-	7,563	382	-	-	7,945
Charge for the year	-	1,509,013	33,246	134	-	1,542,393
Disposals/write-offs	-	(138,039)	(9,644)	(1,380)	(2,120)	(151,183)
Impairment charge/(reversal)	-	13,586	-	-	(5,935)	7,651
<b>At 31 December 2025</b>	<b>21,630</b>	<b>19,132,112</b>	<b>286,207</b>	<b>3,177</b>	<b>5,554</b>	<b>19,448,680</b>
 <b>Net book value</b>						
<b>At 31 December 2025</b>	<b>-</b>	<b>9,070,792</b>	<b>100,580</b>	<b>1,858</b>	<b>1,115,537</b>	<b>10,288,767</b>
<b>At 31 December 2024</b>	<b>-</b>	<b>8,975,110</b>	<b>109,176</b>	<b>373</b>	<b>753,789</b>	<b>9,838,448</b>

The carrying amount of the Group's buildings include a nominal amount of AED 1 (2024: AED 1) in relation to a plot of land granted to the Group by the UAE Government.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 7 Right-of-use assets

	Land and buildings AED 000	Furniture & fixtures AED 000	Total AED 000
<b>Cost</b>			
At 1 January 2024	3,138,709	945	3,139,654
Additions	155,983	-	155,983
Re-measurement	282,446	-	282,446
Disposals	(49,813)	-	(49,813)
At 31 December 2024	3,527,325	945	3,528,270
Additions	96,034	-	96,034
Re-measurement	129,281	-	129,281
Disposals	(26,697)	-	(26,697)
<b>At 31 December 2025</b>	<b>3,725,943</b>	<b>945</b>	<b>3,726,888</b>
<b>Depreciation</b>			
At 1 January 2024	1,541,968	501	1,542,469
Charge for the year	374,405	100	374,505
Disposals	(45,921)	-	(45,921)
At 31 December 2024	1,870,452	601	1,871,053
Charge for the year	363,963	100	364,063
Disposals	(23,623)	-	(23,623)
<b>At 31 December 2025</b>	<b>2,210,792</b>	<b>701</b>	<b>2,211,493</b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b>1,515,151</b>	<b>244</b>	<b>1,515,395</b>
At 31 December 2024	1,656,873	344	1,657,217

The Group leases several assets including shops, technical sites, offices, warehouses and billboards. The average lease term is 10.1 years (2024: 9.16 years). Short-term and low value leases are also included in right-of-use assets.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 8 Intangible assets

	Software in use <sup>(1)</sup> AED 000	Capital work in progress AED 000	Telecom - munications license fees <sup>(2)</sup> AED 000	Indefeasible rights of use <sup>(3)</sup> AED 000	Total AED 000
<b>Cost</b>					
At 1 January 2024	2,668,328	447,130	124,500	207,359	3,447,317
Additions	64,830	294,449	-	-	359,279
Transfers	353,915	(353,915)	-	-	-
Disposals/write-offs	(177)	-	-	-	(177)
At 31 December 2024	3,086,896	387,664	124,500	207,359	3,806,419
Reclassifications	(25,099)	-	-	-	(25,099)
Additions	42,502	251,146	-	-	293,648
Transfers	67,351	(67,351)	-	-	-
Disposals/write-offs	(208)	-	-	(3,014)	(3,222)
At 31 December 2025	<u>3,171,442</u>	<u>571,459</u>	<u>124,500</u>	<u>204,345</u>	<u>4,071,746</u>
<b>Amortization/ impairment</b>					
At 1 January 2024	2,431,224	-	111,185	207,359	2,749,768
Charge for the year	203,673	-	6,223	-	209,896
Impairment charge	-	-	-	-	-
Disposals/write-offs	(177)	-	-	-	(177)
At 31 December 2024	2,634,720	-	117,408	207,359	2,959,487
Reclassifications	(7,945)	-	-	-	(7,945)
Charge for the year	233,684	-	6,223	-	239,907
Impairment charge	13,919	-	-	-	13,919
Disposals/write-offs	(208)	-	-	(3,014)	(3,222)
<b>At 31 December 2025</b>	<u>2,874,170</u>	<u>-</u>	<u>123,631</u>	<u>204,345</u>	<u>3,202,146</u>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b><u>297,272</u></b>	<b><u>571,459</u></b>	<b><u>869</u></b>	<b><u>-</u></b>	<b><u>869,600</u></b>
At 31 December 2024	<u>452,176</u>	<u>387,664</u>	<u>7,092</u>	<u>-</u>	<u>846,932</u>

<sup>(1)</sup> The software in use includes all applications such as enterprise resource planning (ERP), billing and other systems which are currently in use while the capital work in progress relates to the development of software.

<sup>(2)</sup> Telecommunication license fees represent charge by the Telecommunications and Digital Government Regulatory Authority (“TDRA”) to the Group to grant the license to operate as a telecommunications service provider in the UAE. The telecommunications license is due for renewal in February 2026, discussions with TDRA are at advanced stage for its renewal.

<sup>(3)</sup> Indefeasible right of use represents the fees paid to a telecom operator to obtain rights to use Indoor Building Solutions relating to certain sites in the UAE. Also included in the balance is an amount charged by an operator of a fibre-optic cable system for the right to use its submarine fibre-optic circuits and cable system.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 9 Goodwill

The Group acquired the fixed line business of Tecom Investments FZ LLC with effect from 31 December 2005. Goodwill represents the excess of purchase consideration paid over the fair value of net assets acquired. Carrying amount of goodwill is for fixed line business CGU as below:

	2025 AED 000	2024 AED 000
Fixed line business	<u>413,220</u>	<u>413,220</u>

The Group tests goodwill for impairment annually. The recoverable amount of the CGU is determined using the discounted cash flow method based on the five-year business outlook.

In 2025, the estimated recoverable amount of the fixed line business CGU exceeded its carrying amount by approximately 288%.

The key assumptions for the fixed line business CGU value-in-use calculations at 31 December 2025 include:

- 5-year revenue growth projections;
- a pre-tax discount rate of 8.84% (2024: 8.40%) based on the Company's weighted-average cost of capital;
- maintenance capital expenditure projections allowing for replacement of existing infrastructure at the end of its useful life; and
- terminal growth rate of 2%, determined based on management's estimate of the long-term cash flow growth rate, consistent with the assumption that a market participant would make.

The fixed line model calculations are particularly sensitive to the revenue growth assumptions, including expectations around the impact of future competition in the Group's existing network zones. However, management considers that it would require a significant decline in revenue growth before any impairment of the fixed line CGU would be required.

### Sensitivity analysis

The Group has conducted an analysis of the sensitivity of impairment test to changes in the key assumptions used to determine the recoverable amount.

For fixed line business CGU, management has identified that any reasonably possible change in key assumptions could not cause the carrying amounts to exceed the recoverable amounts.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 10 Investments accounted for using the equity method

Investments	Principal activities	Shareholding		Country of incorporation
		2025	2024	
Dubai Smart City Accelerator FZCO (Associate)	To run accelerator programmes with the purpose of sourcing innovation and technology applicable to the Smart City Industry	23.53%	23.53%	UAE
Advanced Regional Communications Solutions Holding Limited (Joint venture)	Provision of connectivity and data centre services	50%	50%	UAE

### Movement in investments in associate and joint venture

	2025		
	Associate AED 000	Joint venture* AED 000	Total AED 000
At 1 January <sup>(1)</sup>	762	1,954	2,716
Share of loss for the year	(251)	(643)	(894)
At 31 December	<u>511</u>	<u>1,311</u>	<u>1,822</u>

  

	2024		
	Associate AED 000	Joint venture AED 000	Total AED 000
At 1 January <sup>(1)</sup>	1,810	3,333	5,143
Share of loss for the year	(1,048)	(1,379)	(2,427)
At 31 December	<u>762</u>	<u>1,954</u>	<u>2,716</u>

\*During the year, the investment in Joint venture has been approved for disposal and reclassified to “Assets held for disposal” in accordance with IFRS 5 (refer to Note 17).

<sup>(1)</sup> Beginning balance as at 1 January includes cumulative impairment loss of AED 8,496 thousand in the Group’s investment in joint venture.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 10 Investments accounted for using the equity method (continued)

Summarised financial information for the associate and joint venture are as follows:

	2025		
	Associate AED 000	Joint venture AED 000	Total AED 000
Non-current assets	1,696	-	1,696
Current assets	532	24,165	24,697
Current liabilities	(56)	(4,550)	(4,606)
Non-current liabilities	-	-	-
Net assets	2,172	19,615	21,787
Revenue	-	10,268	10,268
Loss for the year	(1,067)	(1,285)	(2,352)
	2024		
	Associate AED 000	Joint venture AED 000	Total AED 000
Non-current assets	2,735	36,276	39,011
Current assets	555	24,944	25,499
Current liabilities	(51)	(3,066)	(3,117)
Non-current liabilities	-	(37,254)	(37,254)
Net assets	3,239	20,900	24,139
Revenue	-	14,730	14,730
Loss for the year	(4,454)	(2,757)	(7,211)

### 11 Financial asset at fair value through other comprehensive income

	2025 AED 000	2024 AED 000
<b>Listed shares</b>		
Anghami Inc.	-	2,334

All shares of Anghami were sold during the year.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 12 Lease receivable

	2025 AED 000	2024 AED 000
Lease receivable (net of loss allowance)	94,374	111,602
Non-current	75,910	92,575
Current	18,464	19,027
<b>Total lease receivable</b>	<b>94,374</b>	<b>111,602</b>

During the year 2020, the Group signed a sub-lease agreement to lease its data centre with a customer for a period of 10 years.

	2025 AED 000	2024 AED 000
Maturity analysis:		
Less than 1 year	21,765	21,131
One to two years	22,417	21,765
Two to three years	23,090	22,417
Three to four years	23,783	23,090
Four to five years	12,067	23,783
More than five years	-	12,067
	<u>103,122</u>	<u>124,253</u>
Less: unearned interest on lease receivable and loss allowance	<u>(8,748)</u>	<u>(12,651)</u>
	<b>94,374</b>	<b>111,602</b>

The interest income on lease receivable is presented in Note 32.

### 13 Trade receivables and contract assets

	2025 AED 000	2024 AED 000
Trade receivables	2,293,860	2,272,592
Due from other telecommunication operators <sup>(1)</sup>	447,274	341,270
Contract assets	524,861	489,486
<i>Less:</i> provision for impairment	<u>(821,944)</u>	<u>(812,067)</u>
Net amount	<u>2,444,051</u>	<u>2,291,281</u>
Non-current	221,540	162,716
Current	<u>2,222,511</u>	<u>2,128,565</u>
<b>Total trade receivables and contract assets</b>	<b><u>2,444,051</u></b>	<b><u>2,291,281</u></b>

<sup>(1)</sup> Due from other telecommunication operators are presented after netting off payable balances amounting to AED 1,823,782 thousand (31 December 2024: AED 1,646,509 thousand).

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 13 Trade receivables and contract assets (continued)

The movement in the allowance for expected credited losses of trade receivables, contract assets and due from other telecommunication operators is as follows:

	2025 AED 000	2024 AED 000
At 1 January	812,067	756,993
Charge for the year	248,953	292,975
Write-off during the year	<u>(239,076)</u>	<u>(237,901)</u>
At 31 December	<u>821,944</u>	<u>812,067</u>

### 14 Contract costs

	Current		Non-current	
	2025 AED 000	2024 AED 000	2025 AED 000	2024 AED 000
Contract costs	<u>442,363</u>	<u>361,577</u>	<u>408,079</u>	<u>345,227</u>

### 15 Other non-financial assets

	2025 AED 000	2024 AED 000
Prepayments <sup>(1)</sup>	150,311	168,251
Advances to suppliers	243,983	129,350
Other receivables	<u>51,087</u>	<u>44,543</u>
Total other non-financial assets	<u>445,381</u>	<u>342,144</u>
Non-current	28,535	17,857
Current	<u>416,846</u>	<u>324,287</u>
Total other non-financial assets	<u>445,381</u>	<u>342,144</u>

<sup>(1)</sup> Prepayments include unamortized loan fees amounting to AED 3,257 thousand (31 December 2024: AED 4,539 thousand) related to the revolving credit facility. The non-current portion for the unamortized loan fees amounting to AED 1,976 thousand (31 December 2024: AED 3,211 thousand).

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 16 Inventories

	2025 AED 000	2024 AED 000
Goods held for sale	191,798	198,569
Less: allowance for inventory obsolescence	(16,341)	(22,959)
31 December	<u>175,457</u>	<u>175,610</u>
Inventories recognized as an expense during the year	1,500,125	1,366,946
(Release)/charge of allowance for inventory obsolescence recognized as an expense during the year	(6,618)	8,874

### 17 Assets held for disposal

	2025 AED 000	2024 AED 000
Investments accounted for using the equity method (Joint venture)	<u>1,311</u>	-

The Group has recorded a loss of AED 643 thousand during the year within investments accounted for using the equity method (Joint venture).

### 18 Related party balances and transactions

Related parties comprise the founding shareholders of the Company, entities under common control, its directors, key management personnel and entities over which they exercise control, joint control or significant influence. The founding shareholders are Emirates Investment Authority and Emirates Communications and Technologies Company LLC. Emirates Investment Authority owns 50.1% of the company shares which is ultimately controlled by UAE Federal Government. Transactions with related parties are in the ordinary course of business and are approved by the Group's management or by the Board of Directors.

#### Related party balances

	2025 AED 000	2024 AED 000
Due from related parties (Joint venture and other related party)	<u>27,481</u>	<u>21,732</u>
Due to related parties (Joint venture and other related party)	<u>6,030</u>	<u>6,717</u>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 18 Related party balances and transactions (continued)

#### Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. All transactions with related parties referred to below are in the ordinary course of business. The following table reflects the gross value of transactions with related parties.

	2025 AED 000	2024 AED 000
Sale of goods and services (Joint venture and other related party)	335,478	442,382
Rent and services (Other related party)	20,406	28,665

#### Key management compensation

	2025 AED 000	2024 AED 000
Short-term employee benefits	37,306	34,284
Employees' end of service benefits	473	405
Post-employment benefits	1,200	1,392
Long-term incentives	5,875	5,875
	<hr/> 44,854	<hr/> 41,956

Board of Directors fees recorded during the year were AED 14,406 thousand (2024: AED 12,555 thousand).

No loan has been provided to Directors, their spouses, children and relatives of the second degree and any corporates in which they own 20% or more.

The Group provides telecommunication services and also receives various services from the Federal Government (including Ministries and local bodies). These transactions are at normal commercial terms. The credit period allowed to Government customers ranges from 15 to 150 days. The Group has elected not to disclose transactions with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 19 Term deposits

	2025 AED 000	2024 AED 000
Term deposits (net of loss allowance)	<u>1,784,019</u>	<u>1,299,283</u>

Term deposits represent bank deposits with maturity periods exceeding three months from the date of deposit. These term deposits are denominated primarily in UAE Dirham, with banks. Interest is earned on these term deposits at prevailing market rates. The carrying amount of these term deposits approximates their fair value.

### 20 Cash and bank balances

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise:

	2025 AED 000	2024 AED 000
Cash at bank (net of loss allowance)	465,137	983,386
Cash on hand	<u>563</u>	<u>583</u>
Cash and bank balances	<u>465,700</u>	<u>983,969</u>
Less: margin on guarantees (Note 35)	<u>(2,412)</u>	<u>(2,412)</u>
Cash and cash equivalents	<u>463,288</u>	<u>981,557</u>

### 21 Lease liabilities

	2025 AED 000	2024 AED 000
At 1 January	1,998,687	2,104,959
Lease liabilities during the year	96,034	155,983
Interest expense during the year	71,094	63,671
Payments made during the year	(353,567)	(587,923)
Re-measurement during the year	129,281	282,446
Disposals during the year	<u>(2,710)</u>	<u>(20,449)</u>
At 31 December	<u>1,938,819</u>	<u>1,998,687</u>

	Current		Non-current	
	2025 AED 000	2024 AED 000	2025 AED 000	2024 AED 000
Lease liabilities	<u>592,141</u>	<u>561,999</u>	<u>1,346,678</u>	<u>1,436,688</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. The Group does not have any variable component in lease payments.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 22 Contract liabilities

	Current		Non-current	
	2025	2024	2025	2024
	AED 000	AED 000	AED 000	AED 000
Contract liabilities	629,724	559,180	198,877	233,029

Revenue recognized during the year that was included in the contract liabilities balances at the beginning of 2025 was AED 371,364 thousand (2024: AED 350,373 thousand).

There was no revenue recognized in the current reporting year that is related to performance obligations that were satisfied in the prior year. As permitted under IFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed because the Group's contracts with customers are for periods of one year or less or are billed based on service provided.

### 23 Employees' end of service benefits liabilities

The Group provides end of service benefits (defined benefit obligations) to its eligible employees. The most recent actuarial valuations of the present value of the defined benefit obligations were carried out as at 31 December 2025 by a registered actuary in the UAE. The present value of defined benefit obligations and the related current and past service cost were measured using the Projected Unit Credit Method. Changes in the present value of defined benefit obligations are as follows:

	2025	2024
	AED 000	AED 000
At 1 January	208,604	208,471
Service cost	22,061	21,451
Interest cost	9,662	8,001
Actuarial loss/(gain) recognized in other comprehensive income <sup>(1)</sup>	5,484	(7,403)
Benefits paid during the year	(17,777)	(21,916)
At 31 December	228,034	208,604

<sup>(1)</sup> Actuarial loss/(gain) recognized in other comprehensive income relates to re-measurement of the employees' end of service benefits obligation as a result of changes in financial assumptions amounting to loss of AED 9,495 thousand (2024: net gain of AED 8,114 thousand), net gain from experience adjustments amounting to AED 4,011 thousand (2024: net loss of AED 711 thousand) and demographic assumptions amounting to AED NIL (2024: NIL).

The provision is recognized based on the following significant actuarial assumptions:

	2025	2024
Average period of employment (years)	4.80	4.75
Average annual rate of salary increase	2.5%	2.5%
Average annual rate of salary increase for next two years	2.5%	2.5%
Discount rate	4.0%	4.90%

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 23 Employees' end of service benefits liabilities (continued)

Through its defined benefit plan, the Group is exposed to a number of actuarial risks, the most significant of which include, longevity risk, withdrawal risk and salary increase risk.

Sensitivity of the provision for employees' end of service benefits to changes in principal assumptions is included below:

	Change in assumption	Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
		2025	2024	2025	2024
Withdrawal rate	10%	0.47%	0.83%	(0.54%)	(0.94%)
Mortality age	1 year	0.02%	0.04%	(0.02%)	(0.04%)
Average annual rate of salary increases	1%	5.68%	5.56%	(5.23%)	(5.13%)
Discount rate	1%	(4.66%)	(4.52%)	5.14%	4.98%

Expected contribution to defined benefit obligations for the year ending 31 December 2026 is AED 29,706 thousand.

### 24 Other provisions

#### Asset retirement obligations

In the course of the Group's activities, a number of sites and other commercial premises are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are expected to occur at the dates of exit of the assets to which they relate. These assets are long-term in nature, primarily up to the period of 10 years from when the asset is brought into use.

	2025 AED 000	2024 AED 000
At 1 January	219,120	210,778
Additions during the year	8,349	5,530
Deletions during the year	(3,991)	(2,390)
Adjustment for change in discount/inflation rates	-	(1,582)
Unwinding of discount	7,671	6,784
At 31 December	<u>231,149</u>	<u>219,120</u>

The provision is recognized based on the following significant assumptions:

	2025	2024
Average period of restoration (years)	10	10
Inflation rate	2.02%	2.02%
Discount rate	3.99%	3.99%

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 25 Trade and other payables

	2025 AED 000	2024 AED 000
Trade payables and accruals <sup>(1)</sup>	2,454,815	2,469,372
Due to other telecommunication operators <sup>(2)</sup>	636,704	715,188
Valued Added Tax (VAT) payable	23,075	25,187
Other payables and accruals	596,752	456,311
<b>Total trade and other payables</b>	<b><u>3,711,346</u></b>	<b><u>3,666,058</u></b>

<sup>(1)</sup> Trade payables and accruals include ICT fund payable to TDRA based on 1% of regulated revenue of AED 11,068,025 thousand (31 December 2024: AED 10,095,989 thousand).

<sup>(2)</sup> Due to other telecommunication operators are presented after netting off receivable balances amounting to AED 1,823,782 thousand (31 December 2024: AED 1,646,509 thousand).

### 26 Federal royalty and income tax

As per Cabinet of Ministers of UAE decision no. 8/38 of 2023 and the UAE Ministry of Finance (“MoF”) royalty guidelines, the federal royalty, effective from 2024 to 2026, is equal to 38% of yearly total regulated and non-regulated UAE profits (calculated before federal royalty and income tax) of the Group. The total amount of federal royalty and income tax payable by the Group shall not be lower than AED 1.8 billion per year. Federal royalty meets the definition of income taxes in accordance with IAS 12.

UAE Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses was published on 9 December 2022. Cabinet decisions are issued to specify the implementation of certain provisions in the corporate tax law (“the Law”). The Group is subject to income tax at 9% in the financial year beginning 1 January 2024. The effective annual income tax rate for the current year is 43.6% (2024: 44.7%).

Pillar Two was enacted on 6 February 2025 in the United Arab Emirates, where the Group is headquartered. The Group is subject to Pillar Two tax rules effective 1 January 2025. However, based on the current effective tax rate, the rules have an immaterial impact on the Group.

	2025 AED 000	2024 AED 000
Federal royalty	1,956,602	1,675,882
Income tax	286,827	247,570
<b>For the year ended 31 December</b>	<b><u>2,243,429</u></b>	<b><u>1,923,452</u></b>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 26 Federal royalty and income tax (continued)

#### (a) Income tax expense

	2025 AED 000	2024 AED 000
Income tax expense attributable to:		
- Current income tax	287,435	246,955
- Other comprehensive income not reclassified to profit or loss	(608)	615
	<u>286,827</u>	<u>247,570</u>

Movement in the accrued federal royalty and income tax is as follows:

	2025 AED 000	2024 AED 000
At 1 January	1,923,452	-
Payment made during the year	(1,883,442)	-
Charge for the year (net)	<u>2,243,429</u>	<u>1,923,452</u>
At 31 December	<u>2,283,439</u>	<u>1,923,452</u>

During the year, the Company paid federal royalty of AED 1,636,274 thousand to ministry of finance and income tax of AED 247,168 thousand to federal tax authority. In previous year, the Company paid federal royalty on regulated activities of AED 1,928,939 thousand which was classified under trade and other payables in 2023.

The reconciliation between federal royalty and income tax charge and the effects of standard rate of 38% and 9% respectively, on accounting profit is as follows:

	2025 AED 000	2024 AED 000
Profit before federal royalty and income tax	5,149,122	4,306,151
Federal royalty calculated at a rate of 38%	1,956,666	1,636,337
Prior period adjustments	-	39,609
International operations	(64)	(64)
Federal royalty	<u>1,956,602</u>	<u>1,675,882</u>
Profit before income tax after deduction of federal royalty	3,192,520	2,630,269
Income subject to 0% income tax rate	(375)	(375)
Income subject to 9% income tax rate	3,192,145	2,629,894
Income tax calculated at rate of 9%	287,293	236,690
Prior period adjustments	(402)	9,381
Disallowded deductions and others	(64)	1,499
Income tax charge	<u>286,827</u>	<u>247,570</u>
Total federal royalty and income tax	<u>2,243,429</u>	<u>1,923,452</u>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 26 Federal royalty and income tax (continued)

#### (b) Amount recognized in other comprehensive income

	2025			2024		
	Before-income tax amount	Income tax (expense) / benefit	Net-of- income tax amount	Before- income tax amount	Income tax (expense) / benefit	Net-of- income tax amount
AED '000						
Fair value changes on financial asset at fair value through other comprehensive income	(1,278)	115	(1,163)	(612)	55	(557)
Actuarial (loss)/gain on defined benefit obligations	(5,484)	493	(4,991)	7,403	(670)	6,733
Other comprehensive (loss)/income	(6,762)	608	(6,154)	6,791	(615)	6,176

### 27 Share capital

	2025 AED 000	2024 AED 000
Authorised, issued and fully paid-up share capital (4,532,905,989 shares of AED 1 each)	4,532,906	4,532,906

### 28 Share premium

	2025 AED 000	2024 AED 000
Premium on issue of share capital	232,332	232,332

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 29 Other reserves

	Statutory reserve AED 000	Other Reserve AED 000	Total AED 000
At 1 January 2024	2,266,453	(15,422)	2,251,031
Fair value changes on financial asset at fair value through other comprehensive income - net of tax	-	(557)	(557)
At 31 December 2024	<u>2,266,453</u>	<u>(15,979)</u>	<u>2,250,474</u>
At 1 January 2025	2,266,453	(15,979)	2,250,474
Fair value changes on financial asset at fair value through other comprehensive income - net of tax	-	(1,163)	(1,163)
Transfer of realized loss on sale of FVOCI financial asset shares	-	17,142	17,142
At 31 December 2025	<u>2,266,453</u>	<u>-</u>	<u>2,266,453</u>

### 30 Other operating expense

	2025 AED 000	2024 AED 000
Outsourcing and contracting	74,859	123,893
Legal and professional	62,443	38,649
Net foreign exchange (gain)/loss	(4,110)	2,343
	<u>133,192</u>	<u>164,885</u>

### 31 Depreciation and amortization

	2025 AED 000	2024 AED 000
Depreciation and impairment of property, plant and equipment (Note 6)	1,557,989	1,569,189
Depreciation of right-of-use assets (Note 7)	364,063	374,505
Amortization and impairment on intangible assets (Note 8)	245,881	209,896
	<u>2,167,933</u>	<u>2,153,590</u>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 32 Interest income and expense

	2025 AED 000	2024 AED 000
<b>Interest income</b>		
Interest income - banks	69,684	75,243
Interest income on lease receivable	4,020	4,687
Interest income - others	968	2,284
	<u>74,672</u>	<u>82,214</u>
<b>Interest expense</b>		
Interest expense on lease liabilities	71,094	63,671
Interest expense - borrowing <sup>(1)</sup>	5,899	12,898
Interest expense - others <sup>(2)</sup>	18,061	13,201
	<u>95,054</u>	<u>89,770</u>

<sup>(1)</sup> “Interest expense - borrowing” includes commitment fees and other transaction costs.

<sup>(2)</sup> “Interest expense - others” mainly includes interest cost on defined benefit obligations and unwinding of discount on asset retirement obligations.

### 33 Earnings per share

	2025	2024
Profit for the year (AED 000)	2,905,085	2,487,547
Weighted average number of shares (000)	<u>4,532,906</u>	<u>4,532,906</u>
Basic and diluted earnings per share (AED)	<u>0.64</u>	<u>0.55</u>

There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

### 34 Changes in other operating assets and liabilities

	2025 AED 000	2024 AED 000
Change in:		
Inventories	6,772	(82,789)
Contract costs	(143,638)	(142,708)
Trade receivables, lease receivable and contract assets	(379,624)	(564,895)
Other non-financial assets	27,959	39,740
Trade and other payables	(11,230)	401,296
Contract liabilities	36,392	109,245
Due from related parties	(5,749)	31,717
Due to related parties	(687)	653
Net changes in other operating assets and liabilities	<u>(469,805)</u>	<u>(207,741)</u>

#### Non-cash transactions:

Additions and remeasurement to right-of-use assets	225,315	438,429
--	---------	---------

The reconciliation for the changes in lease liabilities arising from financing activities are presented in Note 21 of the consolidated financial statements.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 35 Contingencies and commitments

The Group has outstanding bank guarantees amounting to AED 113,560 thousand (2024: AED 205,973 thousand). Bank guarantees are secured against margin of AED 2,412 thousand (2024: AED 2,412 thousand) (Note 20).

The Group is subject to litigations in the normal course of business and the management is of the view that the outcome of these court cases will not have a material impact on the Group's consolidated financial statements. Details of these cases are not disclosed in order not to prejudice the Group's position in these litigations.

The Group has contractual capital expenditure commitments amounting to AED 2,124,526 thousand (2024: AED 1,745,064 thousand).

### 36 Financial instruments and risk management

#### 36.1 Credit risk

##### Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Note	Carrying amount		Fair value	
	2025	2024	2025	2024
	AED 000	AED 000	AED 000	AED 000
<b>Non-derivatives</b>				
Financial asset at fair value through other comprehensive income	11	-	2,334	-
Lease receivable	12	94,374	111,602	94,374
Trade receivables and contract assets	13	2,444,051	2,291,281	2,444,051
Due from related parties	18	27,481	21,732	27,481
Term deposits	19	1,784,019	1,299,283	1,784,019
Cash and bank balances	20	465,700	983,969	465,700
		<u>4,815,625</u>	<u>4,710,201</u>	<u>4,815,625</u>
				<u>4,710,201</u>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 36 Financial instruments and risk management (continued)

#### 36.1 Credit risk (continued)

##### Impairment of financial assets

The ageing of trade receivables, contract assets, due from related parties and due from other telecommunication operators are as follows:

##### 31 December 2025

	Not past due AED 000	Past due 0-30 days AED 000	Past due 31-180 days AED 000	More than 180 days AED 000	Total AED 000
Carrying amount – trade receivables, contract assets and due from related parties	768,795	172,893	408,784	1,495,730	2,846,202
<b>Loss allowance</b>	<b>(54,791)</b>	<b>(17,904)</b>	<b>(101,193)</b>	<b>(634,808)</b>	<b>(808,696)</b>
<b>Expected loss rate</b>	<b>7.13%</b>	<b>10.36%</b>	<b>24.75%</b>	<b>42.44%</b>	

	Not past due AED 000	Past due 0-30 days AED 000	Past due 31-180 days AED 000	More than 180 days AED 000	Total AED 000
Carrying amount – due from other telecom operators	31,107	48,939	242,608	124,620	447,274
<b>Loss allowance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,248)</b>	<b>(13,248)</b>
<b>Expected loss rate</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>10.63%</b>	

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 36 Financial instruments and risk management (continued)

#### 36.1 Credit risk (continued)

##### Impairment of financial assets (continued)

31 December 2024

	Not past due AED 000	Past due 0-30 days AED 000	Past due 31-180 days AED 000	More than 180 days AED 000	Total AED 000
Carrying amount – trade receivables, contract assets and due from related parties	755,496	184,250	427,275	1,416,789	2,783,810
Loss allowance	(47,605)	(22,362)	(115,333)	(613,890)	(799,190)
Expected loss rate	6.30%	12.14%	26.99%	43.33%	

	Not past due AED 000	Past due 0-30 days AED 000	Past due 31-180 days AED 000	More than 180 days AED 000	Total AED 000
Carrying amount – due from other telecom operators	79,682	51,763	150,715	59,110	341,270
Loss allowance	-	-	(39)	(12,838)	(12,877)
Expected loss rate	0.00%	0.00%	0.00%	21.72%	

The impairment provision in respect of trade receivables, contract assets and due from related parties is used to record impairment losses unless the Group is satisfied that there is no reasonable expectation of recovery of the amount due; at that point the amounts considered irrecoverable are written-off. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 365 days past due.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 36 Financial instruments and risk management (continued)

#### 36.2 Liquidity risk

The following are the contractual maturities of financial liabilities along with fair values:

#### 31 December 2025

	Fair value AED 000	Carrying amount AED 000	Total AED 000	Contractual cash flows			
				6 months or less AED 000	6-12 months AED 000	1-2 years AED 000	Above 2 years AED 000
<b>Non-derivative financial liabilities</b>							
Lease liabilities	1,938,819	1,938,819	2,242,638	340,214	314,446	351,675	1,236,303
Trade payables and accruals	2,454,815	2,454,815	2,454,815	2,454,815	-	-	-
Due to other telecommunication operators	636,704	636,704	636,704	636,704	-	-	-
Due to related parties	6,030	6,030	6,030	6,030	-	-	-
	<u>5,036,368</u>	<u>5,036,368</u>	<u>5,340,187</u>	<u>3,437,763</u>	<u>314,446</u>	<u>351,675</u>	<u>1,236,303</u>

#### 31 December 2024

	Fair value AED 000	Carrying amount AED 000	Total AED 000	Contractual cash flows			
				6 months or less AED 000	6-12 months AED 000	1-2 years AED 000	Above 2 years AED 000
<b>Non-derivative financial liabilities</b>							
Lease liabilities	1,998,687	1,998,687	2,282,371	289,719	317,346	353,543	1,321,763
Trade payables and accruals	2,469,372	2,469,372	2,469,372	2,469,372	-	-	-
Due to other telecommunication operators	715,188	715,188	715,188	715,188	-	-	-
Due to related parties	6,717	6,717	6,717	6,717	-	-	-
	<u>5,189,964</u>	<u>5,189,964</u>	<u>5,473,648</u>	<u>3,480,996</u>	<u>317,346</u>	<u>353,543</u>	<u>1,321,763</u>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 36 Financial instruments and risk management (continued)

#### 36.3 Currency risk

##### Exposure to currency risk

The Group's exposure to foreign currency risk was as follows:

	31 December 2025		31 December 2024	
	AED 000		AED 000	
	EUR	GBP	EUR	GBP
Trade receivables	15,509	1,564	11,023	738
Trade payables	(501)	(16)	(161)	(19)
Net exposure	<u>15,008</u>	<u>1,548</u>	<u>10,862</u>	<u>719</u>

The following significant exchange rates against AED have been applied during the year:

	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
	EUR 1	4.1310	3.9925	4.3257
GBP 1		4.8389	4.7083	4.9605
				4.6087

##### Sensitivity analysis

A 10% strengthening of the AED against the following currencies at 31 December would have increased/(decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Decrease in profit	2025		2024	
	AED 000	AED 000	AED 000	AED 000
EUR			(6,200)	(4,336)
GBP			(749)	(339)

Conversely a 10% weakening of the AED against the above currencies at 31 December will have the exact reverse effect.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 36 Financial instruments and risk management (continued)

#### 36.4 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2025 AED 000	2024 AED 000
<b>Financial asset at fair value through other comprehensive income</b>	-	2,334
<b>Financial assets measured at amortized cost</b>		
Lease receivable	94,374	111,602
Trade receivables and contract assets	2,444,051	2,291,281
Due from related parties	27,481	21,732
Term deposits	1,784,019	1,299,283
Cash and bank balances	<u>465,700</u>	<u>983,969</u>
	<u>4,815,625</u>	<u>4,707,867</u>
<b>Financial liabilities measured at amortized cost</b>		
Lease liabilities	1,938,819	1,998,687
Trade and other payables <sup>(1)</sup>	3,091,519	3,184,560
Due to related parties	<u>6,030</u>	<u>6,717</u>
	<u>5,036,368</u>	<u>5,189,964</u>

<sup>(1)</sup> Non-financial liabilities (Value Added Tax / Other payables and accruals) amounting to AED 619,827 thousand (2024: AED 481,498 thousand) has been excluded from trade and other payables.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 37 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The following table presents the recognized financial instruments that are offset in the statement of financial position.

	31 December 2025			31 December 2024		
	Gross		Net	Gross		Net
	Gross amounts AED 000	amounts set off AED 000	amount presented AED 000	Gross amounts AED 000	amounts set off AED 000	amount presented AED 000
<b>Financial assets</b>						
Due from other telecommunication operators	2,271,056	(1,823,782)	447,274	1,987,779	(1,646,509)	341,270
<b>Financial liabilities</b>						
Due to other telecommunication operators	2,460,486	(1,823,782)	636,704	2,361,697	(1,646,509)	715,188

### 38 Segment analysis

The Group has operations mainly in the UAE. The Group is organized into four major business segments as follows:

- Mobile segment offers mobile services to the enterprise and consumer customers. Services include mobile voice and data, mobile content and mobile broadband Wi-Fi.
- Fixed segment provides fixed services to the enterprise and consumer customers. Services include broadband, IPTV, home wireless, IP/VPN business internet and telephony.
- Wholesale segment provides voice and SMS to national and international carriers and operators. Services include termination of inbound international and national traffic and international roaming, site sharing and international hubbing.
- ICT and associated telecom services include broadcasting services, data center co-location, multi-cloud, cybersecurity, IOT and equipment etc. The point in time includes revenue from sale of handsets and other devices.

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 38 Segment analysis (continued)

Segment contribution, referred to by the Group as Gross Margin, represents revenue less direct costs. It is calculated before charging operating expenses such as network and other maintenance, staff, marketing expenses, depreciation and amortization. This is the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance.

**31 December 2025**

	Mobile AED 000	Fixed AED 000	Wholesale AED 000	ICT and associated telecom services AED 000	Total AED 000
<b>Segment revenue</b>					
Timing of revenue recognition					
Over time	7,074,936	4,379,705	2,568,222	783,614	14,806,477
At a point in time	-	-	-	1,098,944	1,098,944
	<u>7,074,936</u>	<u>4,379,705</u>	<u>2,568,222</u>	<u>1,882,558</u>	<u>15,905,421</u>
Interconnect and other direct costs	(2,771,294)	(621,852)	(348,749)	(1,517,530)	(5,259,425)
Segment contribution	<u>4,303,642</u>	<u>3,757,853</u>	<u>2,219,473</u>	<u>365,028</u>	<u>10,645,996</u>
Unallocated costs					(5,475,541)
Federal royalty					(1,956,602)
Interest income, interest expense, impairment loss - deposits, cash and bank balances and share of loss on equity accounted investments					(21,333)
Income tax expense					(287,435)
<b>Net profit</b>					<b>2,905,085</b>

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 38 Segment analysis (continued)

31 December 2024

	Mobile AED 000	Fixed AED 000	Wholesale AED 000	ICT and associated telecom services AED 000	Total AED 000
<b>Segment revenue</b>					
Timing of revenue recognition					
Over time	6,548,135	4,002,658	2,373,068	587,711	13,511,572
At a point in time	-	-	-	1,124,345	1,124,345
	<u>6,548,135</u>	<u>4,002,658</u>	<u>2,373,068</u>	<u>1,712,056</u>	<u>14,635,917</u>
Interconnect and other direct costs	(2,562,523)	(615,065)	(284,092)	(1,356,762)	(4,818,442)
Segment contribution	<u>3,985,612</u>	<u>3,387,593</u>	<u>2,088,976</u>	<u>355,294</u>	<u>9,817,475</u>
Unallocated costs					(5,501,226)
Federal royalty					(1,571,649)
Interest income, interest expense, impairment loss - deposits, cash and bank balances and share of loss on equity accounted investments					(10,098)
Income tax expense					(246,955)
<b>Net profit</b>					<b>2,487,547</b>

The Group's assets and liabilities have not been identified to any of the reportable segments as the majority of the operating fixed assets are fully integrated between segments. The Group believes that it is not practical to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is not feasible. The Group's operations are subject to limited level of seasonality or cyclical.

# **Emirates Integrated Telecommunications Company PJSC**

## **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

### **39 IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18, issued in April 2024, replaces IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted, and the Group has elected to apply IFRS 18 from 1 January 2025, with retrospective application in accordance with the standard's requirements.

The adoption of IFRS 18 introduces a revised presentation structure, whereby income and expenses are classified into operating, investing, financing, income tax and discontinued operations categories. Also, as permitted by the standard, the Group has incorporated subtotals in addition to Operating Profit and Profit or Loss Before Financing and Income Taxes, to enhance financial statement transparency and provide a more structured summary. To ensure consistency with current year presentation, comparative figures for the previous year have been re-presented, where necessary. Such re-presented figures did not affect the previously reported comprehensive income, financial position and cash flows except as disclosed in this Note.

The comparative financial information has been re-presented to reflect the early adoption of IFRS 18. The underlying statement of financial position as at December 31, 2024, statement of comprehensive income and statement of cash flow for the year ended December 31, 2024 were audited by the predecessor auditor prior to these re-presentations.

The following items have been re-presented in line with the adoption of IFRS 18:

- Goodwill presented as a separate line item in the statement of financial position.
- Other non-financial assets presented as a separate line item in the statement of financial position.
- Aggregation / disaggregation of items relating to other telecom operators that were previously disclosed within "Trade receivables".
- Starting point for the presentation of statement of cash flows is Operating profit.
- Operating profit before depreciation and amortization is equivalent to "Earnings before interest, income tax, depreciation and amortization (EBITDA)".

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 39 IFRS 18 Presentation and Disclosure in Financial Statements (continued)

The reconciliation between IFRS 18 and IAS 1 for consolidated statement of financial position is as follows:

	2024 as per IFRS 18 AED 000	Adjustment AED 000	2024 as per IAS 1 AED 000	Classification / Reconciliation
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9,838,448	-	9,838,448	Property, plant and equipment
Right-of-use assets	1,657,217	-	1,657,217	Right-of-use assets
Intangible assets	846,932	413,220	1,260,152	Intangible assets and goodwill
Goodwill	413,220	(413,220)	-	
Investments accounted for using the equity method	2,716	-	2,716	Investments accounted for using the equity method
Financial asset at fair value through other comprehensive income	2,334	-	2,334	Financial asset at fair value through other comprehensive income
Lease receivable	92,575	-	92,575	Lease receivable
Trade receivables and contract assets	162,716	17,857	180,573	Trade receivables, contract assets and other assets
Contract costs	345,227	-	345,227	Contract costs
Other non-financial assets	17,857	(17,857)	-	Trade receivables, contract assets and other assets
<b>Total non-current assets</b>	<b>13,379,242</b>	-	<b>13,379,242</b>	
<b>Current assets</b>				
Inventories	175,610	-	175,610	Inventories
Lease receivable	19,027	-	19,027	Lease receivable
Trade receivables and contract assets	2,128,565	191,245	2,319,810	Trade receivables, contract assets and other assets (+) AED 2,319,810
Contract costs	361,577	-	361,577	Other non-financial assets (-) AED 324,287
Due from related parties	21,732	-	21,732	Trade & other payables (aggregation / disaggregation) (+) AED 133,042
Term deposits	1,299,283	-	1,299,283	Contract costs
Cash and bank balances	983,969	-	983,969	Due from related parties
Other non-financial assets	324,287	(324,287)	-	Term deposits
<b>Total current assets</b>	<b>5,314,050</b>	<b>(133,042)</b>	<b>5,181,008</b>	Cash and bank balances
<b>Total assets</b>	<b>18,693,292</b>	<b>(133,042)</b>	<b>18,560,250</b>	Trade receivables, contract assets and other assets
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	4,532,906	-	4,532,906	Share capital
Share premium	232,332	-	232,332	Share premium
Other reserves	2,250,474	-	2,250,474	Other reserves
Retained earnings	2,862,733	-	2,862,733	Retained earnings
<b>Total equity</b>	<b>9,878,445</b>	-	<b>9,878,445</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities	1,436,688	-	1,436,688	Lease liabilities
Contract liabilities	233,029	-	233,029	Contract liabilities
Employees' end of service benefits liabilities	208,604	-	208,604	Provision for employees' end of service benefits
Other provisions	219,120	-	219,120	Other provisions
<b>Total non-current liabilities</b>	<b>2,097,441</b>	-	<b>2,097,441</b>	
<b>Current liabilities</b>				
Trade and other payables	3,666,058	(133,042)	3,533,016	Trade and other payables (+) AED 3,533,016
Federal royalty and income tax	1,923,452	-	1,923,452	Trade receivables and contract assets (aggregation / disaggregation) (+) AED 133,042
Lease liabilities	561,999	-	561,999	Federal royalty on profit and corporate income tax
Contract liabilities	559,180	-	559,180	Lease liabilities
Due to related parties	6,717	-	6,717	Contract liabilities
<b>Total current liabilities</b>	<b>6,717,406</b>	<b>(133,042)</b>	<b>6,584,364</b>	Due to related parties
<b>Total liabilities</b>	<b>8,814,847</b>	<b>(133,042)</b>	<b>8,681,805</b>	
<b>Total equity and liabilities</b>	<b>18,693,292</b>	<b>(133,042)</b>	<b>18,560,250</b>	

# Emirates Integrated Telecommunications Company PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 39 IFRS 18 Presentation and Disclosure in Financial Statements (continued)

The reconciliation between IFRS 18 and IAS 1 for consolidated statement of comprehensive income is as follows:

#### For the year ended 31 December 2024

IFRS 18 description classification and category	2024 AED in 000's	Previous Classification (IAS 1)
<b>Revenue</b>		
Mobile	6,548,135	Revenue
Fixed	4,002,658	Revenue
Wholesale	2,373,068	Revenue
ICT and associated telecom services	1,712,056	Revenue
<b>Total revenue</b>	14,635,917	
<b>Direct costs</b>		
Interconnect cost	(2,811,223)	Operating expenses
Commission cost	(596,223)	Operating expenses
Devices and other direct services cost	(1,410,996)	Operating expenses
<b>Total direct costs</b>	(4,818,442)	
<b>Net operating expenses before depreciation and amortization</b>		
Network and other maintenance expenses	(945,376)	Operating expenses
Marketing expense	(264,122)	Operating expenses
Staff expense	(1,070,046)	Operating expenses
Administrative expense	(222,911)	Operating expenses
Telecommunication license and related fees	(422,496)	Operating expenses
Other operating expense		Operating expenses AED 162,542
Impairment – trade, lease receivables and contract assets (net of recoveries)	(164,885)	Finance cost AED 2,343
Other operating income	(261,268)	Expected credit losses (net of recoveries)
	3,468	Other income
<b>Total net operating expenses before depreciation and amortization</b>	(3,347,636)	
<b>Operating profit before depreciation and amortization</b>	6,469,839	
Depreciation and amortization	(2,153,590)	Operating expenses
<b>Operating profit</b>	4,316,249	
Share of loss on equity accounted investments	(2,427)	Share of loss of associate and joint venture
Interest income		Finance income AED 79,930
	82,214	Finance costs -AED 2,284
Impairment loss - deposits, cash and bank balances	(115)	Finance costs
<b>Profit before financing, federal royalty and income tax</b>	4,395,921	
Interest expense	(89,770)	Finance costs
<b>Profit before federal royalty and income tax</b>	4,306,151	
Federal royalty	(1,571,649)	Federal royalty on profit
Income tax expense	(246,955)	Corporate income tax
<b>Net Profit</b>	2,487,547	
<b>Other comprehensive income/(loss)</b>		
<i>Items that will not be re-classified to profit or loss</i>		
Fair value loss on financial asset (at FVOCI)	(612)	Fair value change on financial asset (at FVOCI)
Actuarial gain on defined benefit obligations	7,403	Actuarial gain on defined benefit obligations
Related income tax	(615)	Corporate income tax
<b>Other comprehensive income (net of income tax)</b>	6,176	
<b>Total comprehensive income for the year attributable to shareholders of the Company</b>	2,493,723	