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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2026

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2026

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P.O. Box 92876
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Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2026 interim condensed consolidated financial statements of Mobile Telecommunications Company Saudi Arabia ("the Company") and its subsidiaries (collectively referred to as the "Group") which comprises:

- the interim condensed consolidated statement of financial position as at 30 September 2026;
- the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2026;
- the interim condensed consolidated statement of changes in equity for the nine-months period ended 30 September 2026;
- the interim condensed consolidated statement of cash flows for the nine-month period ended 30 September 2026; and
- the notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مقفلة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠،٠٠٠،٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية خاصة محدودة بالضمان.

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

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (A Saudi Joint Stock Company) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2026 interim condensed consolidated financial statements of Mobile Telecommunications Company Saudi Arabia ("the Company") and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company



Fahad Mubark Aldossari
License No.: 469

Al Riyadh, 21 Jumada Al-Awwal, 1448H
Corresponding to: 1 November 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2026

(All amounts in ﷼ thousands unless otherwise stated)

	Notes	30 September 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment	6	**4,498,080**	4,769,761
Intangible assets and goodwill	6	**12,726,782**	13,270,363
Right of use assets	7	**1,379,929**	1,400,608
Capital advances		**421,764**	840,269
Long term prepaid expenses		**39,079**	39,077
Investment in an associate and joint venture		**6,138**	13,072
Contract assets		**241,013**	277,969
Total non-current assets		**19,312,785**	20,611,119
Current assets			
Inventories		**190,420**	180,506
Contract assets		**141,399**	138,710
Trade receivables and other assets	5	**7,047,398**	6,871,811
Cash and cash equivalents	4	**748,701**	951,157
Total current assets		**8,127,918**	8,142,184
TOTAL ASSETS		**27,440,703**	28,753,303
LIABILITIES AND EQUITY			
Non-current liabilities			
Borrowings	8	**8,098,067**	8,329,221
Lease liabilities	7	**1,437,595**	1,531,170
Spectrum payable		**997,772**	1,175,455
Deferred income and contract liabilities	17	**14,910**	328,319
Employees' end of service benefits obligation		**155,870**	147,626
Total non-current liabilities		**10,704,214**	11,511,791
Current liabilities			
Trade and other payables		**4,420,795**	5,264,904
Dividend payable	15	**10**	10
Provisions		**62,814**	48,968
Provision for zakat	16	**97,660**	88,864
Deferred income and contract liabilities	17	**238,790**	216,358
Current portion of borrowings	8	**465,625**	233,263
Current portion of lease liabilities	7	**305,369**	282,314
Amounts due to related parties	9	**180,818**	230,880
Total current liabilities		**5,771,881**	6,365,561
Total liabilities		**16,476,095**	17,877,352
EQUITY			
Share capital	10	**8,987,292**	8,987,292
Other reserve		**51,882**	51,882
Non-controlling interests	19	**2,456**	5,642
Retained earnings		**1,922,978**	1,831,135
Total equity		**10,964,608**	10,875,951
TOTAL LIABILITIES AND EQUITY		**27,440,703**	28,753,303

Mehdi Khalfaoui
Chief Financial Officer

Eng. Saad Abdulrahman Alsadhan
Chief Executive Officer

Eng. Abdullah Fahad Alfaris
Chairman

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2026
(All amounts in ﷼ thousands unless otherwise stated)

		For the three months period ended		For the nine months period ended	
		30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	Notes	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	13	**2,834,207**	2,751,031	**8,141,458**	8,094,981
Cost of revenue		**(1,167,784)**	(1,111,944)	**(3,161,467)**	(3,245,100)
		1,666,423	1,639,087	**4,979,991**	4,849,881
Distribution and marketing expenses		**(578,742)**	(576,787)	**(1,759,747)**	(1,734,513)
General and administrative expenses		**(146,540)**	(92,936)	**(481,675)**	(306,729)
Depreciation and amortization	6,7	**(540,399)**	(540,386)	**(1,598,238)**	(1,624,785)
Expected credit loss (ECL)	5	**(106,060)**	(110,833)	**(227,130)**	(286,568)
Operating profit		**294,682**	318,145	**913,201**	897,286
Finance income	4	**12,397**	3,954	**28,267**	11,606
Finance costs	12	**(167,846)**	(167,939)	**(480,588)**	(518,788)
Other income		**153**	6,818	**852**	5,785
Government grant income	17	**14,708**	-	**127,182**	-
Share of loss on investment in an associate and joint venture		**-**	(152)	**(682)**	(152)
Profit before zakat		**154,094**	160,826	**588,232**	395,737
Zakat	16	**(18,518)**	(8,017)	**(50,393)**	(22,792)
Profit for the period		**135,576**	152,809	**537,839**	372,945
Profit for the period attributable to:					
Equity holders of the parent company		**137,866**	152,809	**541,208**	372,945
Non-controlling interests	19	**(2,290)**	-	**(3,369)**	-
		135,576	152,809	**537,839**	372,945
Other comprehensive loss					
Item that may be reclassified subsequently to profit or loss:					
Fair value change in hedging instruments entered into for cash flow hedges		**-**	(20,554)	**-**	(28,504)
Total other comprehensive loss		**-**	(20,554)	**-**	(28,504)
Total other comprehensive loss attributable to:					
Equity holders of the parent company		**-**	(20,554)	**-**	(28,504)
Non-controlling interests		**-**	-	**-**	-
		-	(20,554)	**-**	(28,504)
Total comprehensive income for the period		**135,576**	132,255	**537,839**	344,441
Earnings per share (in ﷼)					
Basic and diluted	11	**0.15**	0.17	**0.60**	0.41

Mehdi Khalfaoui
Chief Financial Officer

Eng. Saad Abdulrahman Alsadhan
Chief Executive Officer

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Chairman

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026
(All amounts in ﷼ thousands unless otherwise stated)

	Share capital	Hedging reserve	Other reserve	Non-controlling interest	Retained earnings	Total
Balance as at 1 January 2026	**8,987,292**	**-**	**51,882**	**5,642**	**1,831,135**	**10,875,951**
Effect of acquisition of new subsidiary	**-**	**-**	**-**	**183**	**-**	**183**
(Loss) / profit for the period	**-**	**-**	**-**	**(3,369)**	**541,208**	**537,839**
Dividends – note 15	**-**	**-**	**-**	**-**	**(449,365)**	**(449,365)**
Balance as at 30 September 2026	**8,987,292**	**-**	**51,882**	**2,456**	**1,922,978**	**10,964,608**
Balance as at 1 January 2025	8,987,292	28,504	14,072	-	1,676,969	10,706,837
Profit for the period	-	-	-	-	372,945	372,945
Other comprehensive loss	-	(28,504)	-	-	-	(28,504)
Total comprehensive (loss) / income	-	(28,504)	-	-	372,945	344,441
Dividends – note 15	-	-	-	-	(449,365)	(449,365)
Balance as at 30 September 2025	8,987,292	-	14,072	-	1,600,549	10,601,913

Mehdi Khalfaoui
Chief Financial Officer

Eng. Saad Abdulrahman Alsadhan
Chief Executive Officer

Eng. Abdullah Fahad Alfaris
Chairman

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026
(All amounts in ﷼ thousands unless otherwise stated)

	Notes	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		**588,232**	395,737
Adjustment for:			
Expected credit loss (ECL)	5	**227,130**	286,568
Depreciation and amortization	6,7	**1,598,238**	1,624,785
Other income		**(156,520)**	(18,093)
Written down of inventories to net realizable value		**672**	1,451
Finance costs	12	**480,588**	518,788
Foreign currency loss		**219**	699
Share of loss in a joint venture and associate for the period		**682**	152
Employees' end of service benefits obligation		**21,076**	20,766
		2,760,317	2,830,853
Changes in working capital			
Trade receivables and other assets		**(424,731)**	(1,225,911)
Inventories		**(10,586)**	81,356
Contract assets		**34,267**	(34,218)
Trade and other payables		**(481,628)**	151,628
Contract liabilities		**22,432**	(80,688)
Cash flows generated from operations		**1,900,071**	1,723,020
Employees' end of service benefits obligation paid		**(12,897)**	(14,638)
Zakat paid	16	**(41,597)**	(27,418)
Net cash generated from operating activities		**1,845,577**	1,680,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment - net of cash received		**(364,567)**	(47,767)
Purchase of intangible assets		**(242,487)**	(205,831)
Movement of cash under lien		**450**	-
Finance income received	4	**28,267**	11,606
Net cash used in investing activities		**(578,337)**	(241,992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	8	**(220,000)**	(7,504,871)
Proceeds from borrowings	8	**100,000**	7,304,071
Payment of principal portion of lease liabilities		**(211,472)**	(197,762)
Repayment of notes payables		**(332,529)**	(515,290)
Dividend paid		**(449,365)**	(437,911)
Finance cost paid		**(355,805)**	(462,504)
Net cash used in financing activities		**(1,469,171)**	(1,814,267)
Net decrease in cash and cash equivalents		**(201,931)**	(375,295)
Effect of movements in exchange rates on cash and cash equivalents		**(219)**	(699)
Cash and cash equivalents at beginning of the year		**950,615**	839,133
Cash and cash equivalents at end of the period	4	**748,465**	463,139

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

Non-cash transactions:

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)
Adjustment to property and equipment corresponding to trade payables, capital advances and government grant	**433,870**	124,010
Adjustment to property and equipment corresponding to loan	**(112,790)**	(186,753)
Adjustment to intangible assets corresponding to trade payables	**165,625**	220,348
Movement in investment in an associate with corresponding to intangible assets	**5,570**	-
Changes in fair value of derivative financial instruments	**-**	(28,504)
Termination adjustment in right of use asset (ROU)	**(18,341)**	(8,442)
Termination adjustment in lease liability (LL)	**(18,772)**	(6,855)
Addition in ROU with corresponding impact in LL	**209,009**	564,289
Net impact of modification in ROU with corresponding impact in LL	**(40)**	(3,437)

Mehdi Khalfaoui
Chief Financial Officer

Eng. Saad Abdulrahman Alsadhan
Chief Executive Officer

Eng. Abdullah Fahad Alfaris
Chairman

1 ORGANIZATION AND ACTIVITIES

1.1 General Information

The Company is a "Saudi Joint Stock Company" established pursuant to the Ministerial Resolutions No. 176 dated 25 Jumada al-Ula 1428H (corresponding to 11 June 2007) and No. 357 dated 28 Thul-Hijjah 1428H (corresponding to 7 January 2008), Royal Decree No. 48/M dated 26 Jumada al-Ula 1428H (corresponding to 12 June 2007), the Commercial Registration No. 1010246192 and unified identification No. 7001550727 issued in Riyadh, Kingdom of Saudi Arabia (KSA) on 4 Rabi' al-Awwal 1429H (corresponding to 12 March 2008) to operate as the 3rd GSM public mobile cellular and the Company obtained technology neutral license in the Kingdom of Saudi Arabia for twenty five (25) years which was subsequently extended for an additional fifteen (15) years in 2016.

Mobile Telecommunications Company Saudi Arabia (the "Company") along with its subsidiaries (together the "Group"), provides mobile telecommunication services in the Kingdom of Saudi Arabia in which it operates, purchases, sells, distributes, delivers, installs, manages and maintains mobile telephone services and equipment. As well, the Group provides consulting services; constructs and repair telecom towers, provides fintech services and provide technical drones services along with selling and repairing of drones, services of logistics and transportation; providing brokerage and agency services to the insurance providers, sale of video games, software and accessories, sale of computers and accessories offering cloud-based gaming solutions, as mentioned in note 1.2. The registered address of the Company is P.O. Box 295814, Riyadh 11351, Kingdom of Saudi Arabia.

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

The Group continues to monitor the regional geopolitical developments and their potential impact on Kingdom of Saudi Arabia (KSA) given that the majority of the Group's operations are conducted within the Kingdom. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks including the Group's supply chain viability. These developments have had no material impact on these interim condensed consolidated financial statements. However, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

1 ORGANIZATION AND ACTIVITIES (CONTINUED)

1.2 Subsidiaries

The Company has following subsidiaries in KSA:

Company	Activity	Share Capital	Date of incorporation / acquisition	Percentage of holding
Zain Sales Company Limited	Engaged in distribution or selling telecom equipment, handsets and providing consulting services	﷼ 10	Incorporated on 2 Safar 1440H (corresponding to 11 October 2018)	100%
Tamam Finance Company	Engaged in providing fintech services	﷼ 348,000	Incorporated on 9 Shaban 1440H (corresponding to 14 April 2019)	100%
Zain Drones Company Limited	Engaged in providing professional, scientific and technical drones services along with selling and repairing drones	﷼ 10	Incorporated on 22 Shawwal 1440H (corresponding to 25 June 2019)	100%
Saira Group Company	Engage in activities of investment and management of subsidiaries	﷼ 50	Incorporated on 12 Rajab 1445H (corresponding to 24 January 2024)	100%
Tam International Logistics Company (Tam2Go) *	Engaged in providing services of logistics and transportation	﷼ 4,000	Control obtained on 20 Jumada Al Awwal 1447H (corresponding to 11 November 2025)	40%
Green Shield for Insurance Brokers Limited (Green Shield)	Engaged in providing brokerage and agency services to the insurance providers	﷼ 3,000	Acquired on 15 Rabi' Al Akhar 1447H (corresponding to 7 October 2025)	60%
Entertainment Content Trading Company (ECT) **	Engaged in sale of video games, software and accessories, sale of computers and accessories offering cloud-based gaming solutions	﷼ 716	Control obtained on 13 Rajab 1447H (corresponding 2 Jan 2026)	50%

* Control is established through majority representation on the Board of Directors.

** Control is established as the Group has the practical ability to direct the relevant activities unilaterally (note 19).

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). They do not include all disclosures that would otherwise be required in a complete set of consolidated financial statements and should be read in conjunction with the 2025 annual consolidated financial statements.

Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments and employees' end of service benefits obligation.

Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its annual consolidated financial statements for the year ended 31 December 2025.

New Standards, Amendment to Standards and Interpretations:

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

There are no new standards issued, however, there are amendments to IFRS 9 and IFRS 7 and there are annual improvements to IFRS Accounting Standards Volume 11 which are effective from 1 January 2026 which have been explained in the Group's annual consolidated financial statements, but it does not have a material effect on the Group's interim condensed consolidated financial statements.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group is currently working to identify impacts the new standards, interpretations and amendments will have on the consolidated financial statements.

i) Other accounting standards

Standards, interpretations, amendments	Effective date
IFRS 19 – Subsidiaries without public accountability: disclosures	1 January 2027
Translation to a hyperinflationary presentation currency – Amendments to IAS 21	1 January 2027
IFRS 20 – Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Not yet disclosed
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures in IAS 28	Not yet disclosed
Sale or contribution of assets between an investor and its associate or joint venture – amendments to IFRS 10 and IAS 28	Not yet disclosed

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

New Standards, Amendment to Standards and Interpretations: (Continued)

- ***New standards, interpretations and amendments not yet effective (continued)***

ii) IFRS 18 – presentation and disclosure in financial statements

Standards, interpretations, amendments	Effective date
IFRS 18 – Presentation and disclosure in financial statements	1 January 2027

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements* and will be effective for annual periods beginning on or after 1 January 2027. The Group plans to adopt the standard on its effective date using a full retrospective approach as per IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* regarding comparative figures for the 2026 financial year. The Group is actively managing its implementation project, focusing on upgrading its chart of accounts, internal controls, and reporting systems to ensure transaction data can be isolated into the new mandatory operating, investing, and financing categories.

a) Structure of the statement of profit or loss

While the standard is not expected to change the Group's net profit or equity, it will change the presentation of the statement of profit or loss and related disclosures. Most notably, the Group expects to introduce mandatory "operating profit" and “profit or loss before financing and income taxes” subtotals and formal disclosures regarding Management-Defined Performance Measures (MPMs) in the notes to the consolidated financial statements. The new operating profit sub-total will differ from the current operating profit sub-total.

The main business activities of the Group will include results from the Mobile Telecommunication Company Saudi Arabia (Zain KSA) and Tamam Finance Company (Tamam) operating segments. Tamam business activity is a specified main business activity as defined by IFRS 18 and as such will require specific classifications within the operating category of the statement of profit or loss as required by the standard.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expense used in public communications outside the consolidated financial statements that communicate management’s view to the users of an aspect of the financial performance of the Group as a whole. The Group will be required to disclose specific information about MPMs in a single note in the consolidated financial statements. The Group is in process, to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the consolidated financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the consolidated financial statements. It also introduces guidance on labelling and describing items presented in the consolidated financial statements. The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the consolidated financial statements that provide useful structured summaries and disclose additional material information in the notes. The Group is also assessing line items currently labelled as ‘other’ and will use more informative labels.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

New Standards, Amendment to Standards and Interpretations: (Continued)

- ***New standards, interpretations and amendments not yet effective (continued)***

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7 *Statement of Cash Flows*, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit before zakat as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

Management is continuing to assess the expected presentation and disclosure impacts of IFRS 18. The quantitative impact is not yet reasonably estimable, and the Group expects to provide a further update in its annual consolidated financial statements for the year ending 31 December 2026.

4 CASH AND CASH EQUIVALENTS

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Cash in hand	**2,256**	2,199
Cash at banks	**443,945**	798,958
Short term deposits	**302,500**	150,000
Cash and cash equivalents reported in statement of financial position	**748,701**	951,157
Cash at bank under lien	**(236)**	(542)
Cash and cash equivalents reported in statement of cash flows	**748,465**	950,615

The Group invests part of the surplus cash in time deposits with maturity period of three months or less with local commercial banks. The annual average profit rate on these deposits during the nine months period ended 30 September 2026 was 4.3% (2025: 4.2%). The total profit earned by the Group during the three and nine month periods ended 30 September 2026 was ﷼ 12.40 million and ﷼ 28.27 million (three and nine month periods ended 30 September 2025: ﷼ 3.95 million and ﷼ 11.61 million). Cash at bank under lien represents the guarantees provided by the Group against cash margin on the balance kept in bank.

5 TRADE RECEIVABLES AND OTHER ASSETS

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Gross trade receivables	**5,359,703**	5,103,232
Islamic financing receivables *	**1,151,901**	1,009,765
Less: Expected credit losses	**(1,539,646)**	(1,370,367)
Net trade receivables	**4,971,958**	4,742,630
Other receivables and assets	**2,075,440**	2,129,181
	7,047,398	6,871,811

* These represents receivables of Tamam Finance Company for providing Shariah compliant financing facilities to their customers.

5 TRADE RECEIVABLES AND OTHER ASSETS (CONTINUED)

Movement in the allowance for expected credit losses

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	**1,370,367**	1,095,283
Effect of acquisition of new subsidiaries	**-**	50
Charge for the period / year	**339,492**	449,475
Amount written off during the period / year	**(170,213)**	(174,441)
Closing balance	**1,539,646**	1,370,367

Total amount charged to the interim condensed consolidated statement of profit or loss and other comprehensive income.

	For the three months period ended		**For the nine months period ended**	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Charged during the period	**115,326**	137,043	**339,492**	344,406
Recovery during the period	**(9,265)**	(26,218)	**(112,354)**	(57,880)
	106,061	110,825	**227,138**	286,526

During the three and nine month periods ended 30 September 2026, an amount of ﷼ 0.82 thousand and ﷼ 7.62 thousand (three and nine month periods ended 30 September 2025: charge of ﷼ 7.60 thousand and ﷼ 41.66 thousand) was reversed from the interim condensed consolidated statement of profit or loss and other comprehensive income related to the expected credit loss on contract assets.

6 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS AND GOODWILL

During the nine months period ended 30 September 2026, the Group acquired property and equipment amounted to ﷼ 522.42 million (nine month period ended 30 September 2025: ﷼ 288.40 million) with downward cost adjustment in asset under construction nil (nine month period ended 30 September 2025: ﷼ 46.28 million) and intangible assets amounted to ﷼ 19.97 million (nine month period ended 30 September 2025: ﷼ 426.18 million). During the nine months period ended 30 September 2026, the Group disposed of property and equipment with a net book value of nil (nine month period ended 30 September 2025: ﷼ 12.27 million) resulting in a net gain on sale of property and equipment amounting to nil (nine month period ended 30 September 2025: nil).

During the three and nine month periods ended 30 September 2026, the total depreciation and amortization expense amounted to ﷼ 540.40 million and ﷼ 1,598.24 million, out of which ﷼ 460.85 million and ﷼ 1,357.65 million relates to property and equipment and intangible assets and the remaining amount of ﷼ 79.55 million and ﷼ 240.59 million, relates to the depreciation charge for right of use assets (three and nine month periods ended 30 September 2025: the total depreciation and amortization expense for three and nine month periods amounted to ﷼ 540.39 million and ﷼ 1,624.79 million out of which ﷼ 459.80 million and ﷼ 1,386.12 million relates to property and equipment and intangible assets and the remaining amount of ﷼ 80.59 million and ﷼ 238.67 million relates the depreciation charge for right of use assets).

7 RIGHT OF USE ASSETS AND LEASE LIABLITIES

During the nine months period ended 30 September 2026, the Group added leases of ﷼ 209.01 million with equivalent corresponding impact to lease labilities (nine month period ended 30 September 2025: ﷼ 564.29 million). Similarly, the Group modified and/or terminated leases resulting in an income with an impact of ﷼ 10.90 million in right of use assets and of ﷼ 15.21 million in lease liabilities (nine month period ended 30 September 2025: ﷼ 23.75 million and ﷼ 28.77 million respectively). The total depreciation for the three and nine month periods ended 30 September 2026 for right of use assets and finance charges for lease liabilities recorded in interim condensed consolidated statement of profit or loss and other comprehensive income amounts to ﷼ 79.55 million and ﷼ 240.59 million and ﷼ 26.76 million and ﷼ 79.49 million, respectively (for the three and nine month periods ended 30 September 2025: depreciation ﷼ 80.59 million and ﷼ 238.67 million and finance charges ﷼ 28.72 million and ﷼ 82.42 million, respectively).

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

8 BORROWINGS

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
New syndicate Murabaha facility (refer to note 8.4)	**5,468,926**	5,463,224
New working capital Murabaha facility (refer to note 8.3)	**-**	170,000
Murabaha facility agreement (refer to note 8.1)	**1,927,199**	1,925,836
Murabaha facility agreement with commercial bank (refer to note 8.5)	**50,000**	-
CAPEX vendor financing facility agreement (refer to note 8.2)	**1,117,567**	1,003,424
Total borrowings*	**8,563,692**	8,562,484

The current and non-current amounts are as follows:

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Current portion of borrowings	**465,625**	233,263
Non-current portion of borrowings	**8,098,067**	8,329,221
Total borrowings	**8,563,692**	8,562,484

* Accrued financial cost on these borrowings amounts to ﷼ 44.96 million (2025: ﷼ 21.76 million) are classified in trade and other payables.

8.1 Murabaha facility agreement

On 16 February 2025, the Group obtained a new Islamic Shariah compliant facility amounting to ﷼ 1,934 million from Al Rajhi bank to repay the facility with ministry of finance (MOF) in full. The new facility is repayable in a single bullet payment upon its maturity on 14 Shawwal 1451H corresponding to 17 February 2030. The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SAIBOR.

8 BORROWINGS (CONTINUED)

8.2 CAPEX vendor financing facility agreement

On 13 May 2024, the Group signed with Al Rajhi bank for ﷼ 1,125 million facility including transaction cost amounting to ﷼ 11.25 million to fund for the capital expenditure payment against several projects. The Group has availed ﷼ 1,125 million out of CAPEX facility as at the reporting period (2025: ﷼ 1,012.21 million). The interest amounting to nil and ﷼ 23.99 million has been capitalized by the Group during the three and nine month periods ended 30 September 2026 based on effective interest rate of the loan (three and nine month periods ended 30 September 2025: ﷼ 15.07 million and ﷼ 42.48 million). CAPEX loan is repayable biannually, after two year grace period in accordance with the terms of the agreement and is maturing on 4 Safar 1456H corresponding to 23 April 2034 and the profit is payable on biannual basis based on fixed margin and six months SAIBOR.

All the activities necessary to prepare the projects were completed on 30 April 2026, consequently the Group ceased the capitalization of interest on this loan.

8.3 New working capital Murabaha facility

On 30 April 2025, Tamam Finance Company (Tamam) signed a working capital Murabaha facility with Al Rajhi bank for ﷼ 200 million to fund the short term expenditure. The facility obtained was repayable within twelve months and was obtained on commercial terms, where the profit was payable on quarterly basis based on fixed margin and three months SAIBOR. As at the nine months period ended 30 September 2026, the facility has expired (2025: total unutilized facility: ﷼ 30 million).

8.4 New syndicate Murabaha facility

On 30 September 2025, the Group signed ﷼ 5,500 million syndicated Murabaha facility with commercial banks at three months SAIBOR plus margin. The proceeds of tranche 1 of the loan amounting to ﷼ 5,200 million have been used to pay existing Murabaha facility and receivables discounting facility, both matured on 30 September 2025, amounting to ﷼ 4,700.80 million and ﷼ 500 million, respectively.

On 28 December 2025, the proceeds of tranche 2 of the loan amounting to ﷼ 300 million was drawn to fund for the CAPEX expenditure payment against several projects in line with the Group's capital expenditure needs. Both the tranches are repayable after one year grace period and in accordance with the terms of the agreement and are maturing on 2 Jumada Al-Akhirah 1452H corresponding to 30 September 2030. The interest amounting to ﷼ 4.17 million and ﷼ 12.69 million has been capitalized by the Group during three and nine month periods ended 30 September 2026 based on effective interest rate of the loan (three and nine month periods ended 30 September 2025: nil and nil). The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SAIBOR.

8.5 Murabaha facility agreement with commercial bank

On 27 August 2025, the Group signed with a commercial bank a working capital Murabaha facility agreement amounting to ﷼ 750 million to fund for the short term expenditure and is repayable within twelve months. As at the reporting date, the Group has utilized an amount of ﷼ 50 million out of this facility (2025: utilized nil).

The facility obtained is on commercial terms, where the profit is payable on a quarterly or bi-annually basis based on three or six months SAIBOR, as determined by that commercial bank.

9 TRANSACTIONS AND AMOUNTS DUE TO RELATED PARTIES

The Group has the following related parties:

Party	Relationship
Oman Telecommunications Company SAOG	Parent Company of Mobile Telecommunications Company K.S.C.P (ultimate parent)
Mobile Telecommunications Company K.S.C.P (Zain Group)	Founding shareholder / Parent Group
Zain Bahrain B.S.C ("MTCB")	Entity under common control
Sudanese Mobile Telephone (Zain) Company Limited ("Zain Sudan")	Entity under common control
Mobile Telecommunications Company Lebanon ("MTCL")	Entity under common control
Zain Iraq/Atheer Telecom Iraq Limited 'Atheer'	Entity under common control
Jordan Mobile Telecommunications Services Co. JSC ("Zain Jordan")	Entity under common control
Mobile Telecommunications Company Zain Kuwait	Entity under common control
Mediterranean and Gulf Cooperative Insurance and Reinsurance Company	Entity under common control
Zain Global Communications Co. SPC	Entity under common control
Zain Tech Solutions FZ- LLC	Entity under common control
Zain Omantel International – ZOI	Entity under common control
FOO (Holding) SAL	Entity under common control
Integrated Data Company for Information Technology L.L.C	Joint venture

The Group entered into the following trading transactions with related parties:

	For the three months period ended		For the nine months period ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Revenue from entities under common control	**22,292**	17,990	**44,283**	45,846
Purchases from entities under common control	**44,004**	41,339	**88,791**	101,222
Fees charged by a founding shareholder (refer note 9.1)	**38,750**	42,500	**116,250**	127,500

Compensation of key management personnel

	For the three months period ended		For the nine months period ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Compensation and benefits – short term	**8,393**	7,256	**25,182**	20,647
Compensation and benefits – long term	**202**	134	**1,221**	1,301
	8,595	7,390	**26,403**	21,948

Short term benefits include remuneration for the Board amounting to ﷼ 3.75 million (nine month period ended 30 September 2025: ﷼ 3.47 million).

9 TRANSACTIONS AND AMOUNTS DUE TO RELATED PARTIES (CONTINUED)

The following balances were outstanding as at the reporting date:

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Mobile Telecommunications Company K.S.C.P (refer to note 9.1)	**116,250**	170,000
Mobile Telecommunications Company K.S.C.P (refer to note 9.2)	**3,629**	-
Founding Shareholders (refer to note 9.3)	**60,409**	60,409
Other related parties (refer to note 9.4)	**530**	471
	180,818	230,880

9.1 Mobile Telecommunications Company K.S.C.P

This amount relates to accrued brand support fees and is payable to the Group's largest shareholder. The amount is unsecured, interest free and is payable on demand.

9.2 Mobile Telecommunications Company K.S.C.P

This amount represents the other inter-company balance and does not bear any interest.

9.3 Founding Shareholders

This amount relates to accrued finance charges and is payable to the Group's founding shareholders. The amount is unsecured and is payable on demand.

9.4 Other related parties

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

10 SHARE CAPITAL

The Group has 898,729,175 (2025: 898,729,175) shares of ﷼ 10 each in issue as at the reporting date.

11 EARNINGS PER SHARE

	For the three months period ended		**For the nine months period ended**	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Weighted average number of ordinary shares	**898,729**	898,729	**898,729**	898,729
Profit attributable to ordinary shareholders of Company	**137,866**	152,809	**541,208**	372,945
Basic earnings per share	**0.15**	0.17	**0.60**	0.41

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

12 FINANCE COSTS

	For the three months period ended		For the nine months period ended	
	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)
Finance cost on bank loans	**121,789**	120,735	**342,079**	348,814
Finance cost on MOF loan	**-**	-	**-**	16,949
Finance cost on lease liabilities	**26,759**	28,721	**79,494**	82,420
Finance cost on spectrum	**19,298**	21,406	**59,015**	63,791
Finance cost on CSTs' deferred payment	**-**	392	**-**	2,903
Others	**-**	(3,315)	**-**	3,911
	167,846	167,939	**480,588**	518,788

13 SEGMENT REPORTING

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

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

Below are examples of revenues included in each sector:

Consumer revenue: The consumer revenue segment includes products and services such as voice calls, mobile internet, fixed internet, VAS, sales of devices and SIM and related roaming revenues. Financial services from Tamam Finance Company are also included in this stream.

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

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

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

13 SEGMENT REPORTING (CONTINUED)

For the nine months period ended 30 September 2026 (Unaudited)

	Zain KSA	Tamam	Others	Total
Revenues				
Consumer revenue	**4,876,092**	**342,718**	**33,593**	**5,252,403**
Business revenue	**1,264,051**	**-**	**-**	**1,264,051**
Wholesale revenue	**2,258,005**	**-**	**-**	**2,258,005**
Eliminations / adjustments	**(628,149)**	**-**	**(4,852)**	**(633,001)**
Total revenues	**7,769,999**	**342,718**	**28,741**	**8,141,458**
Cost of operations	**(5,837,532)**	**(159,601)**	**(34,617)**	**(6,031,750)**
Depreciation and amortization	**(1,593,606)**	**(7,857)**	**(747)**	**(1,602,210)**
Expected credit loss (ECL)	**(152,589)**	**(74,036)**	**(505)**	**(227,130)**
Finance income	**28,209**	**-**	**58**	**28,267**
Government grant income	**127,182**	**-**	**-**	**127,182**
Other income	**163**	**22**	**667**	**852**
Share of loss on investment in an joint venture	**(682)**	**-**	**-**	**(682)**
Finance costs	**(479,177)**	**(2,290)**	**-**	**(481,467)**
Zakat	**(40,002)**	**(10,140)**	**(251)**	**(50,393)**
Eliminations / adjustments	**621,830**	**11,882**	**-**	**633,712**
Profit / (loss) for the period	**443,795**	**100,698**	**(6,654)**	**537,839**

For the nine months period ended 30 September 2025 (Unaudited)

	Zain KSA	Tamam	Others	Total
Revenues				
Consumer revenue	4,838,290	327,586	-	5,165,876
Business revenue	1,330,568	-	-	1,330,568
Wholesale revenue	2,231,874	-	-	2,231,874
Eliminations / adjustments	(633,337)	-	-	(633,337)
Total revenues	7,767,395	327,586	-	8,094,981
Cost of operations	(5,774,801)	(140,027)	(741)	(5,915,569)
Depreciation and amortization	(1,619,968)	(4,617)	(200)	(1,624,785)
Expected credit loss (ECL)	(186,732)	(99,836)	-	(286,568)
Finance income	11,606	-	-	11,606
Other income	5,785	-	-	5,785
Share of loss on investment in an associate	(152)	-	-	(152)
Finance costs	(511,026)	(7,762)	-	(518,788)
Zakat	(15,024)	(7,768)	-	(22,792)
Eliminations / adjustments	629,227	-	-	629,227
Profit / (loss) for the period	306,310	67,576	(941)	372,945

13 SEGMENT REPORTING (CONTINUED)

For the three months period ended 30 September 2026 (Unaudited)

	Zain KSA	Tamam	Others	Total
Revenues				
Consumer revenue	**1,620,673**	**122,628**	**10,281**	**1,753,582**
Business revenue	**415,337**	**-**	**-**	**415,337**
Wholesale revenue	**864,699**	**-**	**-**	**864,699**
Eliminations / adjustments	**(198,661)**	**-**	**(750)**	**(199,411)**
Total revenues	**2,702,048**	**122,628**	**9,531**	**2,834,207**
Cost of operations	**(2,024,973)**	**(53,019)**	**(11,186)**	**(2,089,178)**
Depreciation and amortization	**(538,830)**	**(2,713)**	**(178)**	**(541,721)**
Expected credit loss (ECL)	**(58,016)**	**(48,037)**	**(7)**	**(106,060)**
Finance income	**12,379**	**-**	**18**	**12,397**
Government grant income	**14,708**	**-**	**-**	**14,708**
Other income	**129**	**22**	**2**	**153**
Finance costs	**(167,846)**	**(296)**	**-**	**(168,142)**
Zakat	**(16,406)**	**(1,916)**	**(196)**	**(18,518)**
Eliminations / adjustments	**193,766**	**3,964**	**-**	**197,730**
Profit / (loss) for the period	**116,959**	**20,633**	**(2,016)**	**135,576**

For the three months period ended 30 September 2025 (Unaudited)

	Zain KSA	Tamam	Others	Total
Revenues				
Consumer revenue	1,594,183	111,164	-	1,705,347
Business revenue	453,495	-	-	453,495
Wholesale revenue	787,973	-	-	787,973
Eliminations / adjustments	(195,784)	-	-	(195,784)
Total revenues	2,639,867	111,164	-	2,751,031
Cost of operations	(1,921,553)	(50,912)	(198)	(1,972,663)
Depreciation and amortization	(538,625)	(1,699)	(62)	(540,386)
Expected credit loss (ECL)	(68,164)	(42,669)	-	(110,833)
Finance income	3,954	-	-	3,954
Other income	6,818	-	-	6,818
Share of loss on investment in an associate	(152)	-	-	(152)
Finance costs	(163,902)	(4,037)	-	(167,939)
Zakat	(6,796)	(1,221)	-	(8,017)
Eliminations / adjustments	190,996	-	-	190,996
Profit / (loss) for the period	142,443	10,626	(260)	152,809

13 SEGMENT REPORTING (CONTINUED)

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

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Assets		
Mobile Telecommunications Company Saudi Arabia	**57,966,313**	57,603,795
Tamam Finance Company	**1,246,511**	1,030,079
Others	**58,700**	40,409
Eliminations / adjustments	**(31,830,821)**	(29,920,980)
Total assets	**27,440,703**	28,753,303
Liabilities		
Mobile Telecommunications Company Saudi Arabia	**47,334,703**	46,972,936
Tamam Finance Company	**568,459**	440,844
Others	**58,110**	38,382
Eliminations / adjustments	**(31,485,177)**	(29,574,810)
Total liabilities	**16,476,095**	17,877,352

13.1 Disaggregated revenue information

The total revenue disaggregated by major service lines is:

	For the three months period ended		**For the nine months period ended**	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Usage charges	**1,744,838**	1,535,152	**4,942,354**	4,645,204
Subscriptions	**628,254**	559,091	**1,840,328**	1,625,635
Income from Islamic financing *	**122,628**	111,164	**342,718**	327,586
Sale of goods	**220,114**	419,305	**671,693**	1,099,333
Wholesale and infrastructure	**108,842**	126,319	**315,625**	397,223
Other revenues	**9,531**	-	**28,740**	-
	2,834,207	2,751,031	**8,141,458**	8,094,981

* Expenses related to issuance of financing for the three and nine month periods ended 30 September 2026 is amounted to ﷼ 0.19 million and ﷼ 3.28 million (three and nine month periods ended 30 September 2025: ﷼ 2.07 million and ﷼ 6.37 million).

13.2 Timing of revenue recognition

	For the three months period ended		**For the nine months period ended**	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Performance obligation satisfied over period of time	**2,614,093**	2,331,726	**7,469,765**	6,995,648
Performance obligation satisfied at point in time	**220,114**	419,305	**671,693**	1,099,333
	2,834,207	2,751,031	**8,141,458**	8,094,981

14 CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had capital commitments of ﷼ 1.18 billion as at the reporting date (2025: ﷼ 1.85 billion). The Group had contingent liabilities as follows:

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Letters of guarantee	**46,954**	46,078
Letters of credit	**238,125**	196,250
	285,079	242,328

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

The CST's violation committee has issued several penalty resolutions against the Group, which the Group has objected to. The reasons for issuing these resolutions vary between linking ID for the issued prepaid SIM Cards and providing promotions that have not been approved by CST and/or other reasons.

14.1 WITH HOLDING TAX (WHT)

On 7 July 2015 (18 Ramadan 1436H), The Group received withholding tax assessments from Zakat, Tax and Customs Authority (ZATCA) for the years from 2009 to 2011 whereby ZATCA asked to pay an additional amount of ﷼ 267 million as withholding tax subject to delays penalty payable from the due date up to the settlement date equals to 1% for every 30 days. The Group appealed this claim on 27 August 2015 which resulted in the reduction of withholding tax claim by ﷼ 219 million to ﷼ 48 million, subject to delays penalty. To appeal before the High Appeal Committee (HAC), the Group completed the required conditions in the Articles of the Saudi Tax Law, by paying the invoices issued by ZATCA amounting ﷼ 48 million on 16 November 2017 related to Withholding Tax (WHT) and issued a bank guarantee for the amount of ﷼ 43 million related to the penalty generated from the delay in paying the WHT.

On 3 June 2021, the HAC issued its decision on the final claim which was reduced to ﷼ 8.4 million. The Group has appealed against this decision to the Appeal Committee for Tax Violations and Disputes and the case is pending as at 30 September 2026.

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

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

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

14 CAPITAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

14.1 WITH HOLDING TAX (WHT) (*continued*)

During the year ended 31 December 2024, the Group received communication from ZATCA that the dues for WHT on International traffic will be borne by the Government. Accordingly, the Group has reversed a provision of ﷼ 148.18 million. The amount paid of ﷼ 8.37 million will be settled by the Group with dues payable to ZATCA for other ongoing assessments. There is no change in the status during the nine months period ended 30 September 2026.

15 DIVIDENDS AND DIVIDEND PAYABLE

Out of dividend declared, ﷼ 0.5 per share, for the years 2025, 2024, 2023 and 2022, amount of ﷼ 0.01 million was returned to the Company due to dormant accounts or missing information of beneficiaries, which is represented as dividend payable as at reporting date (2025: out of dividend declared for 2024, 2023 and 2022: ﷼ 0.01 million).

16 PROVISION FOR ZAKAT

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the period / year	**88,864**	71,513
Charge for the period / year	**50,393**	47,237
Paid for the period / year	**(41,597)**	(29,886)
Balance at end of the period / year	**97,660**	88,864

Status of assessments

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

The Company, along with its wholly owned subsidiaries, except for Tamam Finance Company, had submitted its consolidated financial statements along with group zakat returns for the years from 2009 to 2025 and paid zakat according to the filed returns. From 2021 onwards, Tamam Finance Company is submitting, paying and obtaining zakat certificate from ZATCA separately, consequently the Group had submitted zakat return from 2021 till 2025 excluding Tamam Finance Company. The subsidiaries that are not wholly owned submit their zakat declarations separately.

Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group received additional assessment of ﷼ 20.3 million for zakat for the years from 2014 to 2018 which the Group has appealed against these additional claims to the relevant committees. The Group believes this will not result in any material additional provisions. Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group has not received zakat assessments for years 2019 to 2025.

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

Additionally, the Group has calculated zakat expense during the three and nine month periods ended 30 September 2026 amounting to ﷼ 18.52 million and ﷼ 50.39 million (three and nine month periods ended 30 September 2025: ﷼ 8.02 million and ﷼ 22.79 million) which is in line with the new regulation.

There is no financial impact as the Group has sufficient provisions to cover these amounts.

17 DEFERRED INCOME AND CONTRACT LIABILITIES

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Contract liabilities, prepaid customers – current liabilities	**238,790**	216,358
Deferred income, government grant – non-current liabilities	**14,910**	328,319
	253,700	544,677

17.1 Movement of government grant

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	**328,319**	82,090
Amount received during the period / year	**228,251**	555,607
Recognized as government grant income in statement of profit or loss and other comprehensive income	**(127,182)**	-
Offset against operating expenditures during the period / year	**(28,951)**	-
Capitalized during the period / year	**(385,527)**	(309,378)
Closing balance	**14,910**	328,319

Total amount charged to the interim condensed consolidated statement of profit or loss and other comprehensive income.

	For the three months period ended		**For the nine months period ended**	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)		**(Unaudited)**	
Recognized as government grant income	**14,708**	**-**	**127,182**	**-**
Offset against operating expenditures	**3,408**	**-**	**28,951**	**-**
	18,116	**-**	**156,133**	**-**

18 FAIR VALUE OF FINANCIAL ASSETS AND LIABILTIES

18.1 Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

18 FAIR VALUE OF FINANCIAL ASSETS AND LIABILTIES (CONTINUED)

18.2 Carrying amount vs fair value

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

- Cash and cash equivalents
- Trade receivables and other assets
- Contract assets
- Amounts due to related parties
- Trade and other payables
- Borrowings
- Non-current portion of spectrum payable
- Lease liabilities
- Dividend payable

18.3 Valuation techniques

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

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

19 ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

The tables below show details of non-wholly owned subsidiary of the Group that has material non-controlling interests acquired during the period:

Percentage of holding in non-wholly owned subsidiary acquired during the period:

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Entertainment Content Trading Company (ECT) *	**50%**	50%

* *Control is established as the Group has obtained practical ability to direct the relevant activities, unilaterally, during the nine months period ended 30 September 2026.*

Computation of goodwill at the date of acquisition:

	ECT
Fair value of investment at the date of acquisition	**6,251**
Total net assets	**365**
Net assets acquired	**182**
Goodwill	**6,069**
Non-controlling interest	**183**

19 ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

Unaudited financial summary of the subsidiary taken from the financial statements at the date of acquisition:

	ECT
Non-current assets	**281**
Current assets	**1,794**
Non-current liabilities	**65**
Current liabilities	**1,645**
Equity	**365**
Cash and cash equivalents	**534**

Non-controlling interest of subsidiaries as at the reporting period:

	31 December 2025 (Audited)	Addition	Loss for the period (Unaudited)	30 September 2026 (Unaudited)
Tam2Go	**4,248**	**-**	**(2,357)**	**1,891**
Green Shield	**1,394**	**-**	**(424)**	**970**
ECT	**-**	**183**	**(588)**	**(405)**
	5,642	**183**	**(3,369)**	**2,456**

20 SUBSEQUENT EVENTS

There are no other material events occurred subsequent to the reporting date, which could materially affect the interim condensed consolidated financial statements, and the related disclosures for the nine months period ended 30 September 2026.

21 APPROVED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 16 Jumada Al-Awwal 1448H (Corresponding to 27 October 2026).