

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2025**

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

INDEX	PAGE
Independent auditor's review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5 – 6
Notes to the interim condensed consolidated financial statements	7 – 21

Independent auditor's review report on the 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 interim condensed consolidated statement of financial position of Mobile Telecommunications Company Saudi Arabia - a Saudi Joint Stock Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2025, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review:

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

Conclusion:

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

for Ernst & Young Professional Services



Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)



Riyadh: 10 Thul -Qi'dah 1446 H
(8 May 2025)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

(All amounts in SAR thousands unless otherwise stated)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property and equipment	6	4,808,932	4,977,368
Intangible assets	6	13,767,049	13,556,680
Right of use assets	7	1,447,586	1,098,144
Capital advances		877,350	901,595
Long term prepaid expenses		22,389	8,477
Investment in an associate and joint venture		8,973	8,973
Contract assets		287,258	271,341
Total non-current assets		21,219,537	20,822,578
Current assets			
Inventories		222,839	263,180
Contract assets		136,880	122,600
Derivative financial instruments	19	20,555	28,504
Trade receivables and other assets	5	6,710,743	6,058,398
Cash and cash equivalents	4	311,771	840,201
Total current assets		7,402,788	7,312,883
TOTAL ASSETS		28,622,325	28,135,461
LIABILITIES AND EQUITY			
Non-current liabilities			
Borrowings	8	2,830,046	2,233,558
Lease liabilities	7	1,532,228	1,302,316
Spectrum payable	10	1,159,450	931,407
Employees' end of service benefits obligation		178,745	179,267
Total non-current liabilities		5,700,469	4,646,548
Current liabilities			
Trade and other payables		5,836,833	5,632,908
Dividend payable	16	2,500	2,500
Provisions		119,376	133,575
Zakat payable		82,215	71,513
Deferred income and contract liabilities		295,299	306,244
Current portion of borrowings	8	5,291,851	5,965,202
Current portion of lease liabilities	7	208,504	186,680
Amounts due to related parties	9	293,622	483,454
Total current liabilities		12,130,200	12,782,076
Total liabilities		17,830,669	17,428,624
EQUITY			
Share capital	11	8,987,292	8,987,292
Hedging reserve		20,554	28,504
Other reserve	19	14,072	14,072
Retained earnings		1,769,738	1,676,969
Total equity		10,791,656	10,706,837
TOTAL LIABILITIES AND EQUITY		28,622,325	28,135,461

Mehdi Khalfaoui
CFO

Eng. Saad Abdulrahman
Alsadhan
Acting CEO

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 (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in SAR thousands unless otherwise stated)

	Notes	31 March 2025	31 March 2024
Revenue		2,690,237	2,535,176
Cost of revenue		(1,104,925)	(990,004)
Gross profit		1,585,312	1,545,172
Distribution and marketing expenses		(603,473)	(569,201)
General and administrative expenses		(111,725)	(139,986)
Depreciation and amortization		(539,452)	(522,666)
Expected credit loss (ECL)		(56,692)	(62,590)
Operating profit		273,970	250,729
Finance income		4,329	12,138
Other income / (expense)		450	(1,360)
Finance cost	13	(175,278)	(182,337)
Profit before zakat		103,471	79,170
Zakat	17	(10,702)	(12,663)
Profit for the period		92,769	66,507
Other comprehensive (loss) / income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of employees' end of service benefits obligation		-	-
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Fair value change in hedging instruments entered into for cash flow hedges	19	(7,950)	1,458
Total comprehensive income for the period		84,819	67,965
Earnings per share (in SAR)			
Basic and diluted	12	0.10	0.07

Mehdi Khalifaoui
CFO

Eng. Saad Abdulrahman
Alsadhan
Acting CEO

Eng. Abdullah Fahad Alfariis
Chairman

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

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


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

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

	Share capital	Hedging reserve	Other reserve	Statutory Reserve	Retained earnings	Total
Balance at 1 January 2025	8,987,292	28,504	14,072	-	1,676,969	10,706,837
Profit for the period	-	-	-	-	92,769	92,769
Other comprehensive loss	-	(7,950)	-	-	-	(7,950)
Total comprehensive income	-	(7,950)	-	-	92,769	84,819
Balance as at 31 March 2025	8,987,292	20,554	14,072	-	1,769,738	10,791,656
Balance at 1 January 2024	8,987,292	75,634	(1,471)	203,099	1,326,866	10,591,420
Profit for the period	-	-	-	-	66,507	66,507
Other comprehensive income	-	1,458	-	-	-	1,458
Total comprehensive income	-	1,458	-	-	66,507	67,965
Balance as at 31 March 2024	8,987,292	77,092	(1,471)	203,099	1,393,373	10,659,385


Mehdi Khalifaoui
CFO


Eng. Saad Abdulrahman
Alsadhan
Acting CEO


Eng. Abdullah Fahad Alfaris
Chairman

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ₪ thousands unless otherwise stated)

	Notes	31 March 2025	31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		103,471	79,170
Expected credit loss (ECL)		56,692	62,590
Depreciation and amortization	6	539,452	522,666
Other provisions		-	(25,926)
Other income – net		(4,780)	(10,778)
Inventory obsolescence provision		933	1,959
Finance costs		175,278	182,337
Foreign currency gain		(60)	-
Employees' end-of-service benefits obligation		6,874	6,976
		877,860	818,994
Changes in working capital			
Trade and other receivables		(785,053)	(376,996)
Inventories		39,409	(108,663)
Contract assets		(30,197)	34,203
Trade and other payables		432,894	322,736
Contract liabilities		(10,945)	(27,202)
Spectrum payable	10	(188,698)	(238,702)
Cash flows generated from operations		335,270	424,370
Employees' end of service benefits obligation paid		(7,396)	(1,410)
Net cash generated from operating activities		327,874	422,960
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(228,148)	(413,078)
Purchase of intangible assets		(190,810)	(191,846)
Net cash used in investing activities		(418,958)	(604,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	8	(2,184,071)	-
Proceeds from borrowings	8	1,934,071	-
Payment of principal portion of lease liabilities		(60,749)	(90,826)
Finance cost paid		(126,657)	(103,562)
Net cash used in financing activities		(437,406)	(194,388)
Net decrease in cash and cash equivalents		(528,490)	(376,352)
Effect of movements in exchange rates on cash and cash equivalents		60	-
Cash and cash equivalents at beginning of the period		839,133	944,974
Cash and cash equivalents at end of the period	4	310,703	568,622

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

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

Non-cash transactions:

	<u>31 March 2025</u>	<u>31 March 2024</u>
Adjustment to property and equipment with corresponding to trade payables and capital advances	(58,707)	(218,430)
Adjustment to property and equipment with corresponding to loan	(169,206)	-
Adjustment to intangible assets with corresponding to trade payables	(603,362)	801
Changes in fair value of derivative financial instruments	(7,950)	1,458
Termination adjustment in right of use asset (ROU)	(475)	-
Termination adjustment in lease liability (LL)	(502)	-
Addition in ROU with corresponding impact in LL	417,845	-
Net impact of modification in ROU with corresponding impact in LL	43	-



Mehdi Khalfaoui
CFO



Eng. Saad Abdulrahman
Alsadhan
Acting CEO



Eng. Abdullah Fahad Alfaris
Chairman

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ﷲ thousands unless otherwise stated)

1 ORGANIZATION AND ACTIVITIES

1.1 General Information

The Company is a "Saudi Joint Stock Company" established pursuant to the Ministerial Resolutions No. 176 dated 25 Jumada 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.

Mobile Telecommunications Company Saudi Arabia (the "Company") along with its subsidiaries (together the "Group"), provides mobile telecommunication services in the Kingdom of Saudi Arabia in which it operates, purchases, sells, distributes, delivers, installs, manages and maintains mobile telephone services and equipment. As well, the Group provides consulting services; constructs and repair telecom towers; provides fintech services and provide technical drones services along with selling and repairing drones as mentioned in note 1.2. The registered address of the Company is P.O. Box 295814, Riyadh 11351, Kingdom of Saudi Arabia.

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

The Group realized net profit for the three month period ended 31 March 2025, ﷲ 92.77 million (31 March 2024: ﷲ 66.5 million) and had retained earnings of ﷲ 1.77 billion as at 31 March 2024 (2024: ﷲ 1.68 billion) and the current liabilities of the Group exceed the current assets of the Group by ﷲ 4.73 billion (2024: ﷲ 5.47 billion) which includes ﷲ 293.6 million (2024: ﷲ 483.5 million) due to related parties (refer note 9). Based on the latest approved business plan, the Group's management believes that the Group will be successful in meeting its obligations in the normal course of operations considering the unutilized portion of the Syndicated Murabaha Facility amounting ﷲ 0.88 billion (refer note 8-1). The management of the Group have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

1.2 Subsidiaries

The Company established the following fully owned subsidiaries in KSA:

- a. Zain Sales Company – limited liability company owned by one person is engaged in distributing, selling telecom equipment and handsets; and providing consulting services. Share capital ﷲ 10,000. The company was incorporated on 22 Safar 1440H (corresponding to 31 October 2018) and started its operation in the first quarter of 2019.
- b. Tamam Finance Company – closed joint stock company is engaged in providing fintech services. The company was incorporated on 10 Shaban 1440H (corresponding to 15 April 2019) and started its operation during the fourth quarter of 2019. The company has increased the share capital from ﷲ 148 million to ﷲ 248 million on 17 October 2024.
- c. Zain Drones Company Limited - limited liability company owned by one person engaged in providing professional, scientific and technical drones services along with selling and repairing drones. Share capital ﷲ 10,000. The company was incorporated on 22 Shawwal 1440H (corresponding to 25 June 2019) and started its operation during the fourth quarter of 2019.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

1 ORGANIZATION AND ACTIVITIES (continued)

1.2 Subsidiaries (continued)

- d. Data Reach Company – a limited liability company has been formed with a share capital of ﷲ 5,000 to engage in activities of data sciences and analysis, data processing, establishing web hosting infrastructure and cloud computing. The company was incorporated on 3 Ramadan 1444H (corresponding to 25 March 2023) but has not commenced operation as at reporting date.
- e. Saira Group Company – SMC has been formed on 12 Rajab 1445H (corresponding to 24 January 2024) with a share capital of ﷲ 50,000 to engage in activities of investment and management of subsidiaries, which has not commenced operations as at reporting date.

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 financial statements and should be read in conjunction with the 2024 annual consolidated financial statements.

Basis of measurement

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

Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

New Standards, Amendment to Standards and Interpretations:

- New standards, interpretations and amendments effective for current period

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

4 CASH AND CASH EQUIVALENTS

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Cash in hand	2,118	2,103
Cash at banks	309,653	538,098
Short term deposits	-	300,000
Cash and bank balance	311,771	840,201
Cash at bank under lien*	(1,068)	(1,068)
	310,703	839,133

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 commission average rates on these deposits during three month period ended 31 March 2025 were 5.3% (2024: 5.9%). The total commission earned by the Group during three month period ended 31 March 2025 was ﷲ 4.4 million (three month period ended 31 March 2024: ﷲ 12 million).

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

5 TRADE AND OTHER RECEIVABLES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Gross trade receivables	5,425,718	5,018,062
Less: ECL*	(1,137,540)	(1,095,283)
Net trade receivables	4,288,178	3,922,779
Other receivables	2,422,565	2,135,619
	6,710,743	6,058,398

* During the three month period ended 31 March 2025 the Group further charged ﷲ 56.7 million and net written off ﷲ 14.4 million (three month period ended 31 March 2024: the Group charged ﷲ 62.6 million and net written off ﷲ 184.5 million).

6 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

During the three month period ended 31 March 2025, the Group acquired property and equipment amounted to ﷲ 92.5 million (three month period ended 31 March 2024: ﷲ 49 million) and intangible assets amounted to ﷲ 411.3 million (three month period ended 31 March 2024: ﷲ 2.5 million).

During the three month period ended 31 March 2025, the total depreciation and amortization expense amounted to ﷲ 539.4 million, out of which ﷲ 461.9 million relates to property and equipment and intangible assets and the remaining amount of ﷲ 77.5 million, relates to the depreciation charge for right of use assets (three month period ended 31 March 2024: the total depreciation and amortization expense for three month amounted to ﷲ 523 million out of which ﷲ 460 million relates to property and equipment and intangible assets and the remaining amount of ﷲ 63 million relates the depreciation charge for right of use assets).

7 RIGHT OF USE ASSETS AND LEASE LIABILITIES

During the three month period ended 31 March 2025, the Group added leases of ﷲ 417.8 million with equivalent corresponding impact to lease liabilities (three month period ended 31 March 2024: ﷲ 81.7 million). Similarly, the Group modified or terminated leases with an impact of ﷲ 9.25 million in right of use assets and of ﷲ 9.18 million in lease liabilities (three month period ended 31 March 2024: ﷲ 18.1 million and ﷲ 22.4 million respectively).

The total amortization for the three month period ended 31 March 2025 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 ﷲ 77.4 million and ﷲ 27.2 million respectively (for the three month period ended 31 March 2024: ﷲ 62.9 million and ﷲ 19.2 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.

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

8 BORROWINGS

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Syndicate Murabaha facility (refer to note 8-1)	4,671,851	4,658,888
Working Capital Murabaha facility (refer to note 8-1)	120,000	370,000
Murabaha facility agreement (refer to note 8-2)	1,924,597	1,934,071
CAPEX vendor financing facility agreement (refer to note 8-3)	905,449	735,801
Account receivable factoring (refer to note 8-3)	500,000	500,000
Total borrowings	8,121,897	8,198,760

The current and non-current amounts are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Current borrowings	5,291,851	5,965,202
Non-current borrowings	2,830,046	2,233,558
Total borrowings	8,121,897	8,198,760

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
In ﷲ	7,227,703	7,260,334
US Dollar (presented in ﷲ)	894,194	938,426
	8,121,897	8,198,760

8-1 Syndicated Murabaha facility

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

As at 31 March 2025, the Group has drawn ﷲ 6.088 billion (2024: ﷲ 6.13 billion), including ﷲ 5.968 billion (2024: ﷲ 5.76 billion) from long term facility and ﷲ 0.12 billion (2024: ﷲ 0.37 billion) from working capital facility, out of total facility of ﷲ 7 billion. As at 31 March 2025, total unused facility against MFA amounting to ﷲ 0.88 billion (2024: ﷲ 0.63 billion) from the working capital facility.

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

8 BORROWINGS (continued)

8-2 Murabaha facility agreement

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

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

During the period ended 31 March 2025, the group has repaid the facility with MOF in full and obtained a new Islamic Shariah compliant facility amounting to ﷲ 1.93 billion from Al Rajhi bank repayable in a single bullet payment upon its maturity on 14 Shawwal 1451H corresponding to 17 February 2030. The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SIBOR.

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

On 13 May 2024 the Group signed with Al Rajhi bank for ﷲ 1.625 billion facility including transaction cost amounting to ﷲ 11.25 million to fund for the CAPEX expenditure payment against several projects and receivables discounting banking facility up to ﷲ 500 million. The Group has availed ﷲ 916.7 million out of CAPEX facility and ﷲ 500 million out of account receivable factoring facility as at the reporting period. (2024: ﷲ 736 million out of CAPEX facility and ﷲ 500 million out of account receivable factoring facility). The interest amounting to ﷲ 12.69 million has been capitalized by the Group during three month ended 31 March 2025 based on effective interest rate of the loan (31 March 2024: Nil).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ﷲ thousands unless otherwise stated)

9 TRANSACTIONS AND AMOUNTS DUE TO RELATED PARTIES

The Group has the following related parties:

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

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

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Revenue from entities owned by shareholder	16,678	4,930
Purchases from entities owned by shareholder	27,297	16,385
Fees charged by a Founding Shareholder (refer note 9.1)	42,500	42,500

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Compensation and benefits - short term	6,509	10,795
Compensation and benefits - post-employment	633	998
	7,142	11,793

Short term benefits include remuneration for the Board amounting to ﷲ 2.25 million (three month period ended 31 March 2024: ﷲ 1.125 million).

The following balances were outstanding at the reporting date:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Mobile Telecommunications Company K.S.C.P (refer to note 9.1)	212,497	405,968
Mobile Telecommunications Company K.S.C.P (refer to note 9.2)	149	7,095
Founding Shareholders (refer to note 9.3)	60,409	60,409
Other related parties (refer to note 9.4)	20,567	9,982
	293,622	483,454
Current	293,622	483,454

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ﷲ thousands unless otherwise stated)

9 TRANSACTIONS AND AMOUNTS DUE TO RELATED PARTIES (continued)

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

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

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

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

9-3 Founding Shareholders

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

9-4 Other related parties

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

10 SPECTRUM PAYABLE

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Non-current portion of spectrum payable (refer to note 10-1)	1,159,450	931,407
	1,159,450	931,407

10-1 Spectrum payable

As of 31 March 2025, the total outstanding amount payable against spectrum amounts to ﷲ 1.35 billion (2024: ﷲ 1.12 billion) out of which ﷲ 189 million is recognized under trade and other payables as at 31 March 2025 (2024: ﷲ 188 million). The amount of the installment is to be settled annually based on the payment schedule agreed with CST.

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

11 SHARE CAPITAL

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ﷲ thousands unless otherwise stated)

12 EARNINGS PER SHARE

Profit attributable to ordinary shareholders

Both the basic and diluted earnings per share (EPS) have been calculated using the profit attributable to shareholders of the Group as the numerator, i.e. no adjustments to profit were necessary in 31 March 2025 or 31 March 2024. Profit attributable to the shareholders use in calculating EPS is ﷲ 93 million for the three month period ended 31 March 2025 (three month period ended 31 March 2024: ﷲ 67 million).

Weighted average number of ordinary shares

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

	31 March 2025	31 March 2024
Outstanding number of shares	898,729	898,729
Basic earnings per share (ﷲ)	0.1	0.07

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

13 FINANCE COST

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Finance cost on bank loans	105,683	96,864
Finance cost on MOF loan	16,949	44,346
Finance cost on leases	27,193	19,204
Finance cost on spectrum	21,193	16,371
Finance cost on CSTs' deferred payment	1,541	3,722
Others	2,719	1,830
	175,278	182,337

14 SEGMENT REPORTING

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

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

Below are examples of revenues included in each sector:

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

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

(All amounts in ﷲ thousands unless otherwise stated)

14 SEGMENT REPORTING (continued)

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

For the three month period ended 31 March 2025 (Unaudited)

Revenues	Zain KSA	Sales Co.	Tamam	Others	Total
Consumer revenue	1,407,659	213,281	107,990	-	1,728,930
Business revenue	434,886	-	-	-	434,886
Wholesale revenue	736,676	-	-	-	736,676
Eliminations / adjustments	34,865	(245,120)	-	-	(210,255)
Total revenues	2,614,086	(31,839)	107,990	-	2,690,237
Cost of operations	(1,754,398)	(230,673)	(43,065)	(339)	(2,028,475)
Depreciation and amortization	(537,907)	-	(1,473)	(72)	(539,452)
Expected credit loss (ECL)	(28,367)	-	(28,325)	-	(56,692)
Finance income	4,329	-	-	-	4,329
Other expense	450	-	-	-	450
Finance cost	(173,225)	-	(2,053)	-	(175,278)
Zakat	(7,291)	-	(3,411)	-	(10,702)
Elimination	-	208,352	-	-	208,352
Profit for the period	117,677	(54,160)	29,663	(411)	92,769

For the three month period ended 31 March 2024 (Unaudited)

Revenues	Zain KSA	Sales Co.	Tamam	Others	Total
Consumer revenue	1,288,054	228,315	82,483	-	1,598,852
Business revenue	421,782	-	-	-	421,782
Wholesale revenue	721,066	-	-	-	721,066
Eliminations / adjustments	37,161	(243,685)	-	-	(206,524)
Total revenues	2,468,063	(15,370)	82,483	-	2,535,176
Cost of operations	(1,648,238)	(223,644)	(33,813)	(631)	(1,906,326)
Depreciation and amortization	(520,942)	-	(1,650)	(74)	(522,666)
Expected credit loss (ECL)	(44,096)	-	(18,494)	-	(62,590)
Finance income	12,138	-	-	-	12,138
Other income	(1,360)	-	-	-	(1,360)
Finance cost	(182,407)	-	70	-	(182,337)
Zakat	(10,833)	-	(1,830)	-	(12,663)
Elimination	-	207,135	-	-	207,135
Profit for the period	72,325	(31,879)	26,766	(705)	66,507

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

14 SEGMENT REPORTING (continued)

Following is the gross profit analysis on a segment basis:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Mobile Telecommunications Company	1,507,681	1,468,807
Zain Sales Company	(16,035)	5,494
Tamam Finance Company	95,570	70,260
Eliminations / adjustments	(1,904)	611
Gross profit	1,585,312	1,545,172

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Assets</u>		
Mobile Telecommunications Company	41,796,093	41,049,325
Zain Sales Company	13,852,404	13,576,583
Tamam Finance Company	975,663	904,255
Others	4,389	4,462
Eliminations / adjustments	(28,006,224)	(27,399,164)
Total assets	28,622,325	28,135,461
<u>Liabilities</u>		
Mobile Telecommunications Company	31,283,010	30,611,105
Zain Sales Company	13,767,415	13,474,204
Tamam Finance Company	438,231	396,487
Others	11,314	10,974
Eliminations / adjustments	(27,669,301)	(27,064,146)
Total liabilities	17,830,669	17,428,624

The major addition and disposals in property and equipment and intangibles along with associated depreciation and amortization relate to Mobile Telecommunications Group.

15 CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had capital commitments of ﷲ 2.1 billion as at the reporting date (31 December 2024: ﷲ 2.46 billion).

The Group had contingent liabilities as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Letters of guarantee	42,009	55,358
Letters of credit	218,750	218,750
	260,759	274,108

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

15 CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

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

The CST's violation committee has issued several penalty resolutions against the Group, which the Group has objected to. The reasons of issuing these resolutions vary between linking ID for the issued prepaid SIM Cards and providing promotions that have not been approved by CST and/or other reasons. As of 31 March 2025, the amount of lawsuits and violations amounts to ﷲ 6 million which has been provided for in full (2024: ﷲ 5.3 million).

15-1 WITH HOLDING TAX (WHT)

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

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

On 3 June 2021, the HAC issued its decision on the final claim which was reduced to ﷲ 8.4 million. The Group has appealed against this decision to the Appeal Committee for Tax Violations and Disputes and the case is pending as at 30 June 2024.

The Group received additional assessment with an amount of ﷲ 100 million for certain withholding tax items for the years from 2015 to 2021. The Group has appealed those assessments against the relevant committees. The Group believes that the outcome of those appeals will be in the Group's favor with no material financial impact on the Group's 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 as rejected these claims and appealed at various judiciary bodies against these assessments. In the process of appealing against these claims, the Group had paid an amount of ﷲ 8.37 million and created a provision of ﷲ 148.18 million.

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

16 DIVIDEND AND DIVIDEND PAYABLE

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

17 ZAKAT

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Zakat provision		
Balance at beginning of the period / year	71,513	144,232
Charge for the period / year	10,702	33,890
Reversed during the period / year	-	(75,777)
Paid for the period / year	-	(30,832)
Balance at end of the period / year	82,215	71,513

Status of assessments

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

The Group had submitted its consolidated financial statements along with group zakat returns for the years from 2009 to 2023 and paid zakat according to the filed returns. From 2021 onwards, Tamam Finance Company is submitting, paying and obtaining zakat certificate form ZATCA separately, consequently the Group had submitted zakat return from 2021 till 2023 excluding Tamam Finance Company.

Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group received additional assessment of ﷲ 20.3 million for zakat for the years from 2014 to 2018 which the Group has appealed against these additional claims to the relevant committees. The Group believes this will not result in any material additional provisions. Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group has not received zakat assessment for years 2019 to 2023.

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

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

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

Additionally, the Group has calculated zakat expense during the three month period ended 31 March 2025 which is in line with the new regulation which amounts to ﷲ 10.7 million (three month period ended 31 March 2024: ﷲ 12.66 million).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ~~SR~~ thousands unless otherwise stated)

18 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

18-1 Fair value Hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

18-2 Carrying amount vs fair value

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

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

	Fair value measurement hierarchy	31 March 2025 (Unaudited)		31 December 2024 (Audited)	
		Carrying value	Fair value	Carrying value	Fair Value
Derivative financial instruments	Level 2	20,555	20,555	28,504	28,504

18-3 Valuation techniques

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(All amounts in ﷲ thousands unless otherwise stated)

19 DERIVATIVE FINANCIAL INSTRUMENTS

On 22 September 2020 Company entered into profit rate swaps, which matures in 2025. The maturity of the profit rate swap has been extended till the extended maturity of the refinanced loan (refer to note 8-1). The outstanding notional amount of the contract as at 31 March 2025 was ﷲ 1.92 billion (31 December 2024: ﷲ 1.92 billion) and the fair value was a positive amount of ﷲ 20.55 million as at 31 March 2025 (31 December 2024: positive ﷲ 28.5 million).

The average contracted fixed interest rate ranges from 2% to 3%. A loss of ﷲ 7.95 million was recognized in other comprehensive income for three month period ended 31 March 2025 (31 March 2024: gain of ﷲ 1.46 million) as a result of fair value movements relating to this hedge. The fair value of profit rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract. As at reporting date all the critical terms of both hedge item and hedge instrument are the same, so the hedge is considered to be effective.

20 SUBSEQUENT EVENTS

On 26 Shawwal 1446H corresponding to 24 April 2025 the Groups' General Assembly approved the dividend distribution of ﷲ 0.5 per share totaling to ﷲ 449.36 million, recommended by the Board, in their meeting, on 18 Shaban 1446H corresponding to 17 February 2025. The date of distribution is 17 Thul-Qi'dah 1446H corresponding to 15 May 2025.

21 APPROVED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 8 Thul Qi-dah 1446H (Corresponding to 6 May 2025).