Wataniya Palestine Mobile Telecommunication Company PLC (Ooredoo Palestine)

Condensed Interim Financial Information (Unaudited)
For the Six-Month Period Ended 30 June 2026

And Report on Review of the Condensed Interim Financial Information

(Translated from the Original Arabic Version)

Wataniya Palestine Mobile Telecommunication Company PLC (Ooredoo Palestine)

Unaudited condensed interim financial information for the six-month ended 30 June 2026

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Report on review of the condensed interim financial information

To the Chairman and Board of Directors of Wataniya Palestine Mobile Telecommunication Company PLC (Ooredoo Palestine)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Wataniya Palestine Mobile Telecommunication Company PLC (Ooredoo Palestine) (hereinafter the "Company") as at 30 June 2026 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the six-month and three-month periods then ended, and condensed interim statement of changes in equity, and condensed interim statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (34), 'Interim financial reporting'. Our responsibility is to express a conclusion on this condensed interim financial information 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'. A review of the condensed interim financial information 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 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim financial reporting".

For and on behalf of PricewaterhouseCoopers Palestine Co. Ltd
Licence number 207/2012

Moussa Hasseini
Licence number 109/2025

20 July 2026
Place: Ramallah, Palestine

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment	3	**37,934,053**	41,304,388
Right of use assets	4	**10,619,151**	12,075,932
Intangible assets	5	**117,927,761**	120,916,504
Other non-current assets	6	**14,189,802**	124,192
Deferred tax asset		**1,068,868**	1,075,333
Total non-current assets		**181,739,635**	175,496,349
Current assets			
Inventories		**1,307,439**	1,111,605
Other current assets		**9,685,458**	3,702,721
Trade and other receivables	7	**23,529,037**	20,076,687
Other bank balances	8	**39,710,840**	79,610,931
Cash and cash equivalents	8	**24,919,605**	43,693,390
Total current assets		**99,152,379**	148,195,334
Total assets		**280,892,014**	323,691,683
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**176,611,163**	293,000,000
Share premium	1	**-**	11,610,000
Accumulated profits (losses)	1	**7,885,522**	(127,998,837)
Total equity		**184,496,685**	176,611,163
Liabilities			
Non-current liabilities			
Non-current trade and other liabilities	10	**3,080,499**	2,994,275
Non-current lease liabilities	9	**6,631,048**	7,395,290
Employees' benefits		**10,688,681**	10,753,332
Total non-current liabilities		**20,400,228**	21,142,897
Current liabilities			
Current trade and other liabilities	10	**66,960,888**	114,969,126
Deferred income		**4,019,013**	4,684,975
Income tax provision	11	**380,062**	946,243
Current lease liabilities	9	**4,635,138**	5,337,279
Total current liabilities		**75,995,101**	125,937,623
Total liabilities		**96,395,329**	147,080,520
Total equity and liabilities		**280,892,014**	323,691,683

- The accompanying notes from pages 7 to 25 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	For the six-month period ended 30 June		For the three-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Revenue	12	**59,701,092**	50,735,185	**31,099,745**	24,913,964
Network, interconnect, and other operating expenses	13	**(25,363,477)**	(22,592,314)	**(12,758,567)**	(10,678,191)
Employees' salaries and associated costs		**(11,569,307)**	(9,288,551)	**(5,576,644)**	(4,496,408)
Depreciation and amortisation		**(14,628,934)**	(12,085,306)	**(7,251,749)**	(6,037,113)
Finance cost	14	**(383,960)**	(237,984)	**(186,090)**	(107,067)
Finance income		**1,076,716**	2,145,050	**551,644**	1,024,741
Impairment of trade and other receivables	7	**-**	(326,642)	**-**	(135,653)
Other (losses) / gains - net		**(15,289)**	(47,222)	**(53,805)**	8,821
Profit for the period before income tax		**8,816,841**	8,302,216	**5,824,534**	4,493,094
Income tax expense	11	**(931,319)**	(825,670)	**(591,232)**	(410,346)
Profit for the period		**7,885,522**	7,476,546	**5,233,302**	4,082,748
Basic and diluted earnings per share from the period's profit	15	**0.0446**	0.0423	**0.0296**	0.0231

- The accompanying notes from pages 7 to 25 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Profit for the period	**7,885,522**	7,476,546	**5,233,302**	4,082,748
Other comprehensive income items	**-**	-	**-**	-
Total comprehensive income for the period	**7,885,522**	7,476,546	**5,233,302**	4,082,748

- The accompanying notes from pages 7 to 25 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED

	Share Capital	Share Premium	Accumulated Profits (Losses)	Total Equity
Balance at 1 January 2026	**293,000,000**	**11,610,000**	**(127,998,837)**	**176,611,163**
Total comprehensive income for the period	**-**	**-**	**7,885,522**	**7,885,522**
Capital reduction (note 1)	**(116,388,837)**	**(11,610,000)**	**127,998,837**	**-**
Balance at 30 June 2026 (unaudited)	**176,611,163**	**-**	**7,885,522**	**184,496,685**
Balance at 1 January 2025	293,000,000	11,610,000	(143,060,707)	161,549,293
Total comprehensive income for the period	-	-	7,476,546	7,476,546
Balance at 30 June 2025 (unaudited)	293,000,000	11,610,000	(135,584,161)	169,025,839

- The accompanying notes from pages 7 to 25 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	For the six-month period ended 30 June 2026 Unaudited	2025 Unaudited
Cash flow from operating activities			
Profit for the period before income tax		**8,816,841**	8,302,216
Adjustments for:			
Depreciation of property and equipment	3	**5,654,624**	4,935,841
Depreciation of right of use assets	4	**3,416,897**	2,825,229
Amortisation of intangible assets	5	**5,557,413**	4,324,236
Impairment of trade and other receivables	7	**-**	326,642
Provision for employees' benefits		**568,802**	773,815
Interest on lease liability	14	**297,736**	237,984
Interest on licence fees cost	14	**86,224**	-
Finance income		**(1,076,716)**	(2,145,050)
Currency variance on cash and cash equivalents		**(3,334,716)**	(552,645)
Gain on disposal of property and equipment		**(4,614)**	(16,680)
Change in working capital:			
Inventories		**(195,834)**	(4,349)
Other assets		**(16,226,834)**	(1,497,449)
Trade and other receivables		**(2,984,382)**	(1,399,858)
Trade and other liabilities		**3,769,620**	428,733
Deferred income		**(665,962)**	(731,350)
Net cash inflow from operating activities before payments of employees' benefits and income tax payments, net of currency differences		**3,679,099**	15,807,315
Payments of employees' benefits		**(633,453)**	(194,523)
Income tax payments, net of currency differences	11	**(1,491,035)**	(1,192,915)
Net cash from operating activities		**1,554,611**	14,419,877
Cash flow from investing activities			
Payments for property and equipment		**(7,033,983)**	(4,268,929)
Payments for intangible assets		**(53,419,718)**	(36,557,721)
Proceeds from sale of property and equipment		**5,985**	16,878
Cash from / (used in) deposits with maturity of more than three months		**40,337,887**	(18,599,854)
Cash (used in) / from restricted cash		**(437,796)**	5,806,037
Finance income received		**608,748**	1,899,961
Net cash used in investing activities		**(19,938,877)**	(51,703,628)
Cash flows from financing activities			
Principal elements of lease payments, net of currency difference		**(3,510,803)**	(2,615,354)
Payments of interest on lease liability		**(213,432)**	(164,975)
Net cash used in financing activities		**(3,724,235)**	(2,780,329)
Net decrease in cash and cash equivalents		**(22,108,501)**	(40,064,080)
Currency variance on cash and cash equivalents		**3,334,716**	552,645
Cash and cash equivalents, beginning of the period		**43,693,390**	81,801,712
Cash and cash equivalents, end of the period	8	**24,919,605**	42,290,277

- The accompanying notes from pages 7 to 25 form an integral part of this condensed interim financial information.

1. GENERAL

Wataniya Palestine Mobile Telecommunication Company PLC (Ooredoo Palestine) (hereinafter "the Company") was registered, and incorporated in Ramallah, Palestine on 27 January 2007 as a Private Limited Shareholding Company under registration No. 562499541. On 25 October 2010, the legal form of the Company was changed to a Public Shareholding Company under registration No. 562601328.

The Company was formed with an authorised share capital of 5,000,000 shares with USD 1 par value each. During 2008, the Company's authorised and paid-in share capital was increased to 170,000,000 shares with USD 1 par value each. The Company's General Assembly in its extraordinary meeting held on 25 October 2010 resolved to increase the Company's authorised share capital to 258,000,000 shares with USD 1 par value each. The existing shareholders Wataniya International FZ - LLC (WIL) ("the Immediate Parent Company") and Palestine Investment Fund (PIF) subscribed for 49,300,000 shares through capitalising a portion of the shareholders' loans and the related accrued interest. The remaining 38,700,000 shares were offered to the public at an offer price of USD 1.3 per share, resulting in a share premium of USD 11,610,000. The public offering took place during the period from 7 November 2010 to 2 December 2010. The extraordinary General Assembly, in its meeting held on 23 January 2018 decided to increase the Company's authorised capital from 258,000,000 shares to 293,000,000 shares with a par value of 1 USD per share, by offering 35,000,000 shares for secondary public subscription to the Company's shareholders, each according to their percentage of ownership in the Company's capital.

On 3 March 2026, the Company's General Assembly, at an extraordinary meeting, approved a reduction of share capital through a proportionate reduction in the number of issued ordinary shares, in accordance with applicable laws and regulations.

Following the capital reduction, the Company's issued and paid-in share capital decreased from USD 293,000,000 to USD 176,611,163, represented by 176,611,163 ordinary shares with a par value of USD 1 per share. The Company reduced its share capital to offset accumulated losses. In conjunction, with this capital reduction, the entire share premium, amounting to USD 11,610,000, was fully eliminated.

On 14 March 2007, the Company entered into a licence agreement (hereinafter "the original licence") with the Ministry of Telecommunications and Information Technology (the MTIT) to provide 2G and 3G mobile services in the West Bank and Gaza. The term of the original licence is for fifteen years from the effective date being the date on which the MTIT makes the frequencies available to the Company. The effective date was originally set on 6 August 2008. On 16 December 2009 the MTIT approved the Company's request to determine 10 September 2009 as the effective date, instead of 6 August 2008, since it represents the date on which only 2G frequencies were allocated. On 16 March 2015 the MTIT approved to extend the terms of the original licence useful life for an additional five years.

The Company started its operations on 1 November 2009 and is considered a subsidiary of National Mobile Telecommunications Company K.S.C.P. ("the Parent Company"), which in turn is a subsidiary of Ooredoo Q.P.S.C. ("the Ultimate Parent Company"), a Qatari Shareholding Company whose shares are listed on Qatar Stock Exchange. Qatar Investment Authority – the sovereign wealth fund of the State of Qatar - is the Ultimate controlling party of the Company.

On 27 November 2018, the Company has officially rebranded as Ooredoo Palestine. The rebrand of Wataniya Mobile is part of Ooredoo Group's strategy. The Company's main activities are offering, managing, and selling wireless telecommunication services, as well as constructing and operating wireless telecommunication stations and telephone networks.

On 29 May 2025, the Company finalised an amendment to the original licence agreement dated 14 March 2007, with the Telecommunications Regulatory Commission (the "Commission") and the Ministry of Telecommunications and Information Technology ("MTIT"). The amendment is considered an addendum to the original licence agreement (the "Addendum"). Under the Addendum, all parties agreed to amend the terms of the original licence agreement to include, among other allowable services under the original licence agreement, the Company's provision of fourth-generation (4G) mobile telecommunication services for a period of 15 years commencing from the soft launch of the 4G services. Also, under the Addendum, the duration of the original licence agreement was extended for additional 12 years ending on 9 September 2041, contingent upon reaching an agreement on the final financial settlement.

1. GENERAL (CONTINUED)

In accordance with the Addendum, the Company paid USD 35,560,000 as an advance, for the rights to establish, operate, manage and maintain a 4G mobile telecommunications network in the West Bank and Gaza Strip.

In line with the signed Addendum, on 21 October 2025, MTIT and the Company jointly appointed an independent resolution services provider (the "Facilitator") to conduct an independent advisory facilitation process aimed at resolving all outstanding financial disputes, between the Company and the MTIT, related to the original licence agreement.

On 29 December 2025, the Facilitator issued a final report concluding that the disputes would be resolved through a comprehensive settlement package valued at USD 119,440,000. The package comprises USD 78,440,000 in cash payments to MTIT and the allocation of funds for telecom infrastructure development projects.

Both the Company's Board of Directors and the Council of Ministers endorsed the final settlement agreement. As a result, the Company's licence agreement has been formally extended to 9 September 2041, and all disputes, claims and related obligations between the parties have been fully resolved.

The unaudited condensed interim financial information of the Company as of 30 June 2026, was authorised for issue in accordance with the Board of Directors resolution on 19 July 2026. The accompanying condensed interim financial information was reviewed and not audited.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company in the preparation of this condensed interim financial information are set below:

2.1 Basis of preparation of the condensed interim financial information

The condensed interim financial information of the Company for the six months ended 30 June 2026, has been prepared in accordance with the International Accounting Standard 34, "Interim financial reporting".

The condensed interim financial information has been prepared under the historical cost basis.

The condensed interim financial information is presented in US Dollar, that represents the functional currency of the Company.

The condensed interim financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2025. The results for the period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 Changes in accounting policies

The accounting policies used in the preparation of the condensed interim financial information for the Company are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2025 except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Company:

The Company has applied the following standards, amendment, and interpretations for the first time for their annual reporting commencing on 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.
- Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-Dependent Electricity.
- Annual improvements to IFRS – Volume 11.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

New and amended standards adopted by the Company (continued):

The above standards, amendments, and interpretation to accounting standards did not have any material impact on the Company's condensed interim financial information and did not require retrospective adjustments and there are no other standards, amendments or interpretations that became effective for the first time for the annual reporting period commencing 1 January 2026 and have a material impact on the Company.

Impact of new standards issued but not yet effective or early adopted by the Company

- IFRS 18, 'Presentation and Disclosure in Financial Statements'.
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'.
- Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency.
- IFRS 20, 'Regulatory Assets and Regulatory Liabilities'.

The Company is actively assessing the impact of IFRS 18 Presentation and Disclosure in Financial Statements, which is effective for annual periods beginning on or after 1 January 2027. The Company currently expects to adopt the standard on the effective date. Based on the preliminary assessment performed to date, IFRS 18 is expected to affect the presentation and disclosure of information in the financial statements, including the structure of the statement of profit or loss and the disclosure of management-defined performance measures. At this stage, the Company does not expect IFRS 18 to have an impact on the recognition or measurement of assets, liabilities, income or expenses.

The assessment remains ongoing and is at an early stage of the implementation process. More detailed and entity-specific disclosures, including any quantitative information, will be provided as the implementation progresses and sufficient information becomes available. Other changes and amendments are not expected to have a material impact on the Company.

2.3 Significant accounting judgments and estimates

The preparation of the condensed interim financial information and applying the accounting policies requires the Company's management to make estimates and assumptions that affect the amounts of the financial assets and liabilities, and the disclosure of contingent liabilities. Also, these estimates and assumptions affect the revenues, expenses and provisions. In particular, this requires the Company's management to issue significant accounting judgements and assumptions to estimate the amounts and timing of future cash flows. The mentioned estimates (which are consistent with the Company's annual financial statements as at 31 December 2025, which were prepared in accordance with IFRS Accounting Standards) are necessarily based on multiple assumptions and factors involving varying degrees of estimation and uncertainty. The actual results may differ from the estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the condensed interim financial information:

Going concern

The Company has considered the impact of the conflict in Gaza on the ability of the Company to continue as a going concern. The Company still runs the majority of its operations in the West Bank and accordingly derives the vast majority of the revenue, profit and cash flows from the West Bank. Also, the Company's unleveraged position means that management expects to be able to overcome any downturn in revenues and fund the rebuilding of assets when circumstances permit. Even if the conflict in Gaza persists into the future, the Company expects to be able to generate positive cash flows from its operations in the West Bank alone.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting judgments and estimates (continued)

Going concern (continued)

Furthermore, the Company has an insurance policy that includes coverage against damage to assets caused by war and expects to be able to make a claim under this policy to aid in funding network infrastructure reconstruction in the future. The Company continues to monitor the situation closely, including potential impacts on its operations. Any further escalation in the conflict impacting the business in Gaza may result in additional material impacts on the Company's future results and operations, but management does not expect that the conflict in Gaza will significantly endanger the Company's ability to continue as a going concern.

Impairment

In light of the situation in Gaza, the Company had a number of its cell phone towers destroyed in the course of the conflict. The Company has taken the view that any towers substantively destroyed in their entirety can be assessed for impairment at the asset level and have no recoverable amount. For the purpose of the impairment assessment the Company assumed that any cell phone tower that does not send or receive traffic (inactive), and since management is unable to reach these towers and inspect the extent of the damage or assess the decline in their value, management assumed that these towers are completely destroyed and were fully impaired.

The Company believes that there is only a single CGU because in normal times subscribers can move between Gaza and the West Bank and therefore the towers in Gaza do not generate cash inflows that are separate from towers in the West Bank. The results of the impairment test performed at the CGU level are set out in note 3.1.

Revenue recognition

Revenue recognition under IFRS 15 necessitates the collation and processing of very large amounts of data, use of management judgements and estimates to produce financial information. The most significant accounting judgements and source of estimation uncertainty are detailed below.

Judgments in determining the timing of satisfaction of performance obligations

Per note 12, the Company generally recognises revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receive and consume the benefits provided by these services and the control transfer takes place over time, revenue is also recognised based on the extent of service transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these performance obligations, we have considered the nature of these services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Company considers the general requirements of control (i.e., direct the use of asset or assets and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment;
- Customer has legal title;
- Entity has transferred legal possession;
- Customer has significant risk and rewards; and
- Customer has accepted the asset.

In making their judgment, management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Company had transferred control of the goods to the customer. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, management are satisfied that control has been transferred and that recognition of the revenue in the current period is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs. However, the determination of obligations is, for the primary goods and services sold by the Company, not considered to be a critical accounting judgment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting judgments and estimates (continued)

Revenue recognition (continued)

Principal versus agent

Significant judgments are made by management when concluding whether the Company is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Company. The assessment requires an analysis of key indicators, specifically whether the Company:

- Carries any inventory risk;
- Has the primary responsibility for providing the goods or services to the customer;
- Has the latitude to establish pricing; and
- Bears the customer's credit risk.

Whether the Company is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Company and its business partners. Scenarios requiring judgment to determine whether the Company is a principal, or an agent include, for example, those where the Company delivers third-party branded services (such as value-added services) to customers.

Determining the lease term

Extension and termination options are included in a number of asset leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option.

For leases of the assets, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).

Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Intangible assets (licence)

As set out in Notes 1 and 5 to the condensed interim financial information, the Company's telecommunications licence was originally agreed with the Ministry of Telecommunications and Digital Economy ("MTIT") for a fixed consideration of USD 140,000,000, plus additional contingent payments of USD 214,000,000 based on growth in subscribers' number and other certain capping mechanisms to be provided by the MTIT for this commitment to become due.

The Company has historically disputed the additional contingent payment of USD 214,000,000 under the original licence agreement, on the basis that key contractual conditions were not fulfilled, including timely frequency allocation and the issuance of import permits. Management therefore considered that the USD 140,000,000 paid represented fair consideration for the rights actually received. On 29 May 2025, the Company signed an Addendum to the licence agreement with both the Telecommunications Regulatory Commission ("the Commission") and MTIT. The parties agreed to pursue a negotiated final settlement agreement to address the past disputes and to agree terms for extending the licence through 9 September 2041.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting judgments and estimates (continued)

Intangible assets (licence) (continued)

On 29 December 2025, the Company and MTIT reached a binding settlement agreement that resolved all outstanding disputes relating to the original licence contract and extended the licence term to 2041. This agreement followed an independent facilitation process jointly appointed by the parties. The Company maintains that its previous accounting treatment for the original licence was appropriate and has judged that the additional payments agreed in this final settlement relate substantively to licence extensions and expanded spectrum rights. These additional rights are expected to generate future economic benefits over the revised licence term. For this reason, management has concluded that the settlement payments relate to future rights and do not represent an expense of prior periods.

The following represent areas of significant judgement relating to the Company's licence:

Determination of the Unit of Account for Telecommunications Spectrum Rights

The Company holds telecommunications spectrum rights comprising:

1. The original licence:
   - Network licence to install, own, operate, manage, and maintain a Mobile Network;
   - Licence to provide 2G and 3G Mobile Services; and
   - Licence to install, own, operate, manage, maintain International Gateway Services.
2. The expansion of the services to include 4G capability, and
3. The extension of the original licence term to 9 September 2041.

IFRS Accounting Standards does not prescribe explicit guidance on the "unit of account" for intangible assets of this nature. Applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (paragraphs 10–12), management exercised significant judgement in determining the appropriate unit of account.

Management concluded that the 2G/3G spectrum, the 4G enhancement and the licence-term extension constitute a single, indivisible intangible asset for accounting purposes. This conclusion reflects:

- A single legal and regulatory arrangement negotiated and resolved as an integrated package;
- Interdependent economic characteristics of the spectrum components, which do not generate separate or independent cash flows in isolation; and
- The absence of a reliable basis to allocate consideration between components, as the Facilitator's binding report specified a single settlement amount without distinct values for the individual elements.

Based on these factors, management determined that treating the components as one unit of account provides the most faithful representation of the economic substance of the Company's licence.

Recognition of Intangible Asset Enhancements Following a Binding Facilitator Report

At 29 December 2025, a binding decision was issued by the appointed Facilitator regarding the Company's licence settlement with MTIT. Prior to this, the arrangement was accounted for as executory, and payments made were recognised as prepayments, as the Company had not yet obtained enforceable rights nor incurred a present obligation.

Significant judgement was required in determining the point at which the Company obtained control of the enhanced licence rights and when a present obligation to make additional payments arose. Management concluded that upon issuance of the Facilitator's binding decision:

- The Company obtained legally enforceable rights to the 4G enhancement and the licence-term extension;
- The arrangement was no longer executory; and
- The criteria in IAS 38 Intangible Assets for recognising additions to an intangible asset were met.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting judgments and estimates (continued)

Intangible assets (licence) (continued)

Accordingly, the Company recognised the intangible asset additions and the corresponding liability at 31 December 2025. Assessing the precise date of recognition required judgement given the nature of the regulatory process and the binding effect of the Facilitator's decision.

Classification of certain obligations as a financial liability

The Facilitator's binding report requires the Company to pay certain obligations. Management applied judgement in determining whether these obligations met the definition of a financial liability under IFRS 9 or a provision under IAS 37. Given that:

- The obligation is unconditional;
- The amount is fixed;
- Settlement is required in cash; and
- No further performance conditions or contingent events are required, management concluded that the obligation meets the definition of a financial liability under IFRS 9.
- The company assessed it is probable that expected future economic benefits will be derived from the spectrum rights.

The liability was therefore recognised at its book value at 31 December 2025. This judgement relates to both the classification and the timing of recognition, reflecting the legal enforceability of the settlement terms.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the condensed financial interim position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below.

Discounting of deferred consideration

The Company recognised the deferred consideration of USD 5,000,000 for the licence settlement at its cash price equivalent in accordance with IAS 38. The present value as at 30 June 2026 amounts to USD 3,080,499 in comparison to USD 2,994,275 as at 31 December 2025 using a discount rate of 5.892% per annum. The corresponding financial liability is measured at amortised cost under IFRS 9, with subsequent effective interest accretion recognised in finance costs which amounted to USD 86,224 for the period ended 30 June 2026. A +100 bps/ –100 bps change in the discount rate would decrease/increase the present value by approximately USD 234,691 and USD 259,532 respectively (isolated effect) as at 30 June 2026 and as at 31 December 2025.

Licence impairment and recoverability

The licence (useful life till 9 September 2041) forms part of the mobile network CGU tested for impairment under IAS 36 using a value-in-use model. Key assumptions include but not limited to post-tax discount rate of 16.45%, 4G adoption, cost trajectories for network operations and capex, and a rollout beginning 2027 in the West Bank, and in the middle of 2027 for Gaza.

As at 30 June 2026 headroom USD 52,837,953 was compared to USD 28,754,739 as at 31 December 2025. Sensitivities indicate that: (i) a +100 bps change in the discount rate would reduce headroom by USD 18,877,079 as at 30 June 2026 and USD 16,575,630 as at 31 December 2025; and (ii) a 12-month delay in 4G rollout would reduce headroom by USD 37,306,074 as at 30 June 2026 compared to USD 21,656,238 as at 31 December 2025. If the discount rate increased by +328 bps (to 19.73%), headroom would be eliminated as at 30 June 2026 and 31 December 2025, and an impairment would arise.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting judgments and estimates (continued)

Useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. But it is not considered to be a significant risk of material adjustment to the carrying values of property and equipment in the period up to 30 June 2026 if these estimates were revised.

Calculation of loss allowance

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The forward-looking estimates are Oil prices, unemployment rate, and inflation.

Functional currency determination

The Company is based and has its operations in Palestine. Palestine does not have any domestic currency. The majority of the Company's sales are denominated in Israeli Shekels while cost is denominated in US Dollars. Thereby there are mixed primary indicators. However, the Company obtains funding for its operations in US Dollars and also retains the earnings largely in US Dollars. Therefore, the Company has concluded the US Dollar to be the functional currency of the Company.

2.4 Risk management

The Company manages various risks through a strategy that identifies those risks and the procedures to mitigate them by applying a reporting system aiming to review and adopt appropriate risk mitigating procedures. In addition, the business units are responsible for identifying risks associated with their operations and to apply and monitor appropriate control procedures. The overall responsibility of managing and monitoring the risks of the Company rests with the Board of Directors. The unaudited condensed interim financial information does not include all information and disclosures required in the annual financial statements under risk management and should be read in conjunction with the Company's annual financial statements as at 31 December 2025 which were prepared under IFRS accounting standards.

2.5 Capital management

The Company manages its capital to ensure that it is able to continue as a going concern, while maximising returns to shareholders through the optimisation of its debt and equity structure. The Company adjusts its capital structure in response to changes in economic circumstances and business requirements.

In early 2026, the Company performed a capital restructuring whereby accumulated losses were offset against paid-in capital and share premium. Other than this restructuring, there were no changes to the Company's capital management objectives, policies, or processes during the period ended 30 June 2026. Following the restructuring, total equity comprised share capital and accumulated profits, amounting to USD 184,496,685 as at 30 June 2026 (30 June 2025: USD 169,025,839).

The Company's management reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital, and the risks associated with each class of capital. The gearing ratio as at 30 June 2026 and 2025 is zero percent. The Company has no debt and therefore is in net cash position.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Fair value of financial instruments

Given that trade and other receivables, cash and cash equivalents, other bank balances, and trade and other liabilities have a short-term collection or payment period their book values are considered equal to or approximate to their fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of its financial instruments:

- 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 (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

3. PROPERTY AND EQUIPMENT

	Network and infrastructure	Land	Computers and office equipment	Furniture and fixtures	Decorations and leasehold improvements	Others	Work in Process (*)	Total
Cost								
Balance as at 1 January 2026	140,855,014	3,952,800	19,670,095	2,897,318	10,025,657	295,961	9,112,863	186,809,708
Transfers from work in process	2,450,116	-	164,067	493	58,758	67,283	(2,740,717)	-
Additions	305,933	-	284,868	14,466	67,725	95	1,612,573	2,285,660
Disposals	(1,371)	-	(18,429)	(13,932)	(967)	-	-	(34,699)
Balance as at 30 June 2026	143,609,692	3,952,800	20,100,601	2,898,345	10,151,173	363,339	7,984,719	189,060,669
Accumulated depreciation and impairment								
Balance as at 1 January 2026	115,087,746	-	17,892,683	2,877,350	9,392,925	194,243	60,373	145,505,320
Depreciation for the period	5,061,587	-	398,338	32,205	130,746	31,748	-	5,654,624
Disposals	-	-	(18,429)	(13,932)	(967)	-	-	(33,328)
Balance as at 30 June 2026	120,149,333	-	18,272,592	2,895,623	9,522,704	225,991	60,373	151,126,616
Net book value:								
As at 30 June 2026	23,460,359	3,952,800	1,828,009	2,722	628,469	137,348	7,924,346	37,934,053

* Work in process relates to network expansions under construction.

3. PROPERTY AND EQUIPMENT (CONTINUED)

	Network and infrastructure	Land	Computers and office equipment	Furniture and fixtures	Decorations and leasehold improvements	Others	Work in Process (*)	Total
Cost								
As at 1 January 2025	138,385,642	3,952,800	18,665,781	2,874,174	9,801,842	292,019	4,954,797	178,927,055
Transfers from work in process	607,548	-	359,908	3,892	64,485	-	(1,035,833)	-
Additions	1,861,824	-	644,406	21,580	163,285	3,942	5,193,899	7,888,936
Disposals	-	-	-	(2,328)	(3,955)	-	-	(6,283)
As at 31 December 2025	140,855,014	3,952,800	19,670,095	2,897,318	10,025,657	295,961	9,112,863	186,809,708
Accumulated depreciation and impairment								
As at 1 January 2025	106,382,304	-	17,144,674	2,786,225	9,143,212	155,723	60,373	135,672,511
Depreciation charge for the year	8,587,442	-	748,009	93,453	253,470	38,520	-	9,720,894
Disposals	-	-	-	(2,328)	(3,757)	-	-	(6,085)
Impairment (note 3.1)	118,000	-	-	-	-	-	-	118,000
As at 31 December 2025	115,087,746	-	17,892,683	2,877,350	9,392,925	194,243	60,373	145,505,320
Net book value:								
As at 31 December 2025	25,767,268	3,952,800	1,777,412	19,968	632,732	101,718	9,052,490	41,304,388

* Work in process relates to network expansions under construction.

3. PROPERTY AND EQUIPMENT (CONTINUED)

3.1 Impairment

The situation in Palestine and specifically in Gaza continues to be unstable and unpredictable. As a result of the conflict, certain infrastructure of the Company has been damaged or destroyed either partially or fully and there were disruptions to the operation of many cellular transmission towers. The management has made an assessment that includes significant judgment to determine the amount of the impairment loss for the property and equipment, primarily cell phone towers.

Since the beginning of the conflict in Gaza, the Company in the first instance identified towers that were known to be substantively destroyed in order to impair these in full. As a completely destroyed tower clearly has no value in use or fair value, the recoverable amount was considered to be nil, tested at the asset level. While the Company is not able to freely visit and inspect all of its assets in Gaza at the current time, certain inspections have been possible. The Company is also able to identify towers that are definitely still working as traffic data from these towers can be observed at the Head Office in the West Bank. During the period no impairment loss was booked for destroyed towers (2025: USD 118,000).

For the remaining towers that are fully operational, the Company has performed a value in use test at the CGU level because towers do not individually generate separately identifiable cash inflows.

As explained in note 2.3 the Company has only a single CGU. The value in use impairment test projected cash flows for the next 16 years before extrapolating for later periods at a growth rate of 3.5% and discounting at a WACC of 16.45%. The projections considered significant anticipated cash flow relevant to the licence renewal after its expiry in 2041 and recoverability of the towers and other assets of the CGU. In addition to the growth and discount rates, the impairment test is also dependent on revenue and earnings before interest, taxes, depreciation, and amortisation (EBITDA) assumptions.

As the Company has only a single CGU and the operations in Gaza are a small portion of the Company's revenues and profits, the impairment test had a significant amount of headroom. Substantially all of the Company's asset carrying amounts are supported by cash flows in just the next 16 years. Even after assuming a USD 11,000,000 repair bill for damage in Gaza in the coming 3 years, the model continued to indicate significant amounts of headroom.

The Company's other property and equipment in Gaza is not as significant as the towers and there is no indication that any other assets are fully destroyed. In the current period ended 30 June 2026 and for the year ended 31 December 2025, no impairment was recorded. To the extent that other assets are damaged and will require repair, their value is supported as part of the value in use impairment test described above. Repair costs will be charged to profit or loss in future years as expenditure is incurred. New towers to replace destroyed ones will be capitalised when built.

While a significant amount of estimation was required in determining the appropriate impairment loss to record, the Company believes that the approach taken has enabled it to determine an appropriate charge within the bounds of materiality.

4. RIGHT OF USE ASSETS

	June 30 2026	31 December 2025
Balance, beginning of the period / year	**12,075,932**	9,111,855
Additions during the period / year	**1,960,116**	8,896,931
Depreciation for the period / year	**(3,416,897)**	(5,932,854)
Balance, end of the period / year	**10,619,151**	12,075,932

5. INTANGIBLE ASSETS

	Licence*	Software	Work in process**	Total
Cost				
Balance as at 1 January 2026	**230,994,275**	**41,847,077**	**3,332,454**	**276,173,806**
Transfers from the work in process	**-**	**274,262**	**(274,262)**	**-**
Additions	**-**	**51,675**	**2,516,995**	**2,568,670**
Balance as at 30 June 2026	**230,994,275**	**42,173,014**	**5,575,187**	**278,742,476**
Accumulated Amortisation				
Balance as at 1 January 2026	**117,685,416**	**37,571,886**	**-**	**155,257,302**
Amortisation for the period	**3,578,591**	**1,978,822**	**-**	**5,557,413**
Balance as at 30 June 2026	**121,264,007**	**39,550,708**	**-**	**160,814,715**
Net Book Value				
As at 30 June 2026	**109,730,268**	**2,622,306**	**5,575,187**	**117,927,761**
As at 31 December 2025	113,308,859	4,275,191	3,332,454	120,916,504

* The Company's telecommunication licence was agreed on 14 March 2007 and commenced on 10 September 2009 when frequencies were first allocated to the Company in the West Bank. The terms of the licence covered 2G and 3G in both the West Bank and Gaza for a total price of USD 354,000,000. An initial payment was made of USD 140,000,000 with additional payments to be made once certain subscriber numbers were reached. The Company's best estimate of the amount, it will ultimately have to pay for the licence, was USD 140,000,000 representing the amount already paid.

During the previous years, the MTIT requested the Company to pay additional amounts for the licence, though the Company's best estimate showed that it will not be obliged to pay any additional amounts for the licence other than what was already paid since it was unable to utilise all the benefits granted in the licence agreement.

On 29 December 2025, the Company and MTIT reached a binding settlement agreement that resolved all outstanding disputes relating to the original licence agreement and extended the licence term till 2041. This agreement followed an independent facilitation process jointly appointed by the parties.

Details of capitalised costs to the licence during the year ended 31 December 2025 was as follows:

	31 December 2025
Payment towards the resolution of the dispute and the extension of the original licence agreement till 9 September 2041	41,994,275
Enhancement to the licence (4G services)	49,000,000
	90,994,275

** Work in process represents capitalisation of significant changes in the functionalities in the existing software or additions of new major software purchased from third-party suppliers from which the management believes that the Company will have future economic benefits.

6. OTHER NON-CURRENT ASSETS

	30 June 2026	31 December 2025
Long term advances for regulatory fees	**10,244,097**	-
Long term advances for property and equipment	**3,945,705**	124,192
	14,189,802	124,192

7. TRADE AND OTHER RECEIVABLES

	30 June 2026	31 December 2025
Trade receivables	**26,072,060**	22,299,457
Unbilled receivable*	**7,748,087**	7,445,757
Others	**116,570**	117,311
	33,936,717	29,862,525
Provision for impairment of trade and other receivables	**(10,407,680)**	(9,785,838)
	23,529,037	20,076,687

* Unbilled receivables represent revenue for services that have been provided but not billed for post-paid sales and sales of goods. Unbilled accounts are recognised as revenue for each accounting period separately.

The following is a summary of the movement on the provision for impairment of trade receivables during the period ended 30 June 2026 and the year ended 31 December 2025:

	30 June 2026	31 December 2025
Balance, beginning of the period / year	**9,785,838**	8,619,958
Additions during the period / year	**-**	618,055
Write-off on trade receivables during the period / year	**-**	(781,193)
Currency differences	**621,842**	1,329,018
Balance, end of the period / year	**10,407,680**	9,785,838

During the period ended 30 June 2026, the management reviewed the mathematical model for the provision for impairment of trade and other receivables and concluded that the existing provision was sufficient.

8. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

For the purpose of the condensed interim statement of cash flows, cash and cash equivalents comprise the following items:

	30 June 2026	31 December 2025
Bank balances, deposits, and cash on hand	**63,669,430**	122,781,102
Restricted cash	**961,015**	523,219
	64,630,445	123,304,321
Less (Other bank balances):		
Deposits with maturity of more than three months (i)	**(38,749,825)**	(79,087,712)
Restricted deposits (ii)	**(961,015)**	(523,219)
Cash and cash equivalents as per interim condensed statement of cash flows	**24,919,605**	43,693,390

(i) The Company had deposits amounting to USD 60,027,048 as at 30 June 2026 (2025: USD 119,648,612). Of these total deposits, USD 38,749,825 are deposits with a maturity of more than three months (2025: USD 79,087,712).

(ii) The balance pertains to deposits placed as collateral with banks against issuance of bank guarantees and letters of credit.

9. LEASE LIABILITIES

	30 June 2026	31 December 2025
Balance, beginning of the period / year	**12,732,569**	8,634,402
Interest during the period / year	**297,736**	519,669
Additions during the period / year	**1,960,116**	8,896,931
Lease payments during the period / year	**(4,112,161)**	(5,910,113)
Currency differences	**387,926**	591,680
Balance, end of the period / year	**11,266,186**	12,732,569

	30 June 2026	31 December 2025
Non- current lease liabilities	**6,631,048**	7,395,290
Current lease liabilities	**4,635,138**	5,337,279
	11,266,186	12,732,569

10. TRADE AND OTHER LIABILITIES

	30 June 2026	31 December 2025
Accrued expenses*	**34,155,062**	33,426,333
Trade payables	**12,843,642**	9,863,164
Accrued project cost	**9,445,609**	8,790,931
VAT payable	**3,719,860**	3,203,241
Payroll accrued cost	**3,272,658**	3,879,263
Licence fees cost **	**3,080,499**	55,434,275
Other payables	**3,524,057**	3,366,194
	70,041,387	117,963,401

	30 June 2026	31 December 2025
Current trade and other liabilities	**66,960,888**	114,969,126
Non-current trade and other liabilities	**3,080,499**	2,994,275
	70,041,387	117,963,401

*Accrued expenses mainly consist of accrued operating and other regulatory expenditures.

** As disclosed in Notes 1 and 5, on 29 December 2025 the Company entered into a binding settlement agreement with MTIT, thereby resolving all outstanding disputes related to the original licence contract and extending the licence term through 2041. This includes USD 52,440,000 in cash payments that were settled in early 2026. The settlement also includes a non-current cash payment of USD 5,000,000, which has been discounted at an annual rate of 5.892% to determine its present value of USD 3,080,499 as at 30 June 2026 and USD 2,994,275 as at 31 December 2025 (refer to Note 2.3).

11. INCOME TAX PROVISION

The movement on the income tax provision for the period ended 30 June 2026, and the year ended 31 December 2025 is as follows:

	30 June 2026	31 December 2025
Balance, beginning of the period / year	**946,243**	168,004
Provision for the period / year	**1,035,965**	1,859,592
Payments during the period / year	**(1,759,220)**	(1,381,202)
Income tax incentive for the period / year	**(111,111)**	(98,154)
Currency differences	**268,185**	398,003
Balance, end of the period / year	**380,062**	946,243

The income tax expense on the condensed interim statement of profit or loss for the six-month period ended 30 June 2026 and 2025 represents the following:

	30 June 2026	30 June 2025
Provision for the period, net of income tax incentive	**(924,854)**	(883,599)
Deferred tax asset	**(6,465)**	57,929
Income tax expense for the period	**(931,319)**	(825,670)

According to the Palestinian Investment Promotion Agency certificate issued on 27 October 2009, the Company was granted the right to benefit from the Palestinian Law for Encouragement of Investment. Accordingly, the Company was granted full exemption from income tax for a period of five years starting from the year in which the Company commenced its operations. In addition, the Company's taxable income will be subject to 50% of the nominal tax rate until 31 December 2030 (10% instead of 20%). During 2012, the Company agreed at the request of Palestinian Ministry of Finance to voluntarily defer the full income tax exemption for the years 2012 and 2013. Therefore, the full income tax exemption was extended until 2016. The Company has reached a clearance with the Palestinian tax department for the years until 2022. The Company did not reach final settlements on its results for the years 2023, 2024, and 2025.

12. REVENUE

	30 June 2026	30 June 2025
Telecommunication services	**55,582,204**	47,693,604
Sales of goods and others	**4,118,888**	3,041,581
	59,701,092	50,735,185

The revenues of the Company were recognised as follows:

	30 June 2026	30 June 2025
Over time	**57,770,464**	48,951,607
At a point in time	**1,930,628**	1,783,578
	59,701,092	50,735,185

13. NETWORK, INTERCONNECT, AND OTHER OPERATING EXPENSES

	30 June 2026	30 June 2025
Outpayment and interconnect charges	**6,551,880**	7,594,556
Network operations and maintenance	**3,926,047**	3,454,765
Regulatory and related fees	**3,620,701**	2,930,393
Rentals and utilities*	**3,270,302**	2,354,383
Cost of equipment sold and other services	**2,070,087**	1,778,130
Commissions of cards	**1,856,560**	1,388,427
Marketing cost and sponsorship	**773,414**	848,496
Legal and professional fees	**163,330**	100,249
Other expenses**	**3,131,156**	2,142,915
	25,363,477	22,592,314

* The Company chose not to recognise the right-of-use assets and lease liabilities that are related to short-term leasing contracts that are 12-month long or less, or the leasing contracts of the low valued assets. The Company recognises the lease payments related to these contracts as an expense over the leasing period using the straight-line method.

** Other expenses for the periods ended 30 June 2026 and 2025 include receipt of management services and brand licence fees that amounted to USD 1,492,527 and USD 1,268,380 respectively, charged by both the Parent Company and Ooredoo IP LLC.

14. FINANCE COST

	30 June 2026	30 June 2025
Interest on lease liability	**297,736**	237,984
Interest on licence fees cost	**86,224**	-
	383,960	237,984

15. BASIC AND DILUTED EARNINGS PER SHARE FROM THE PERIOD'S PROFIT

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

	30 June 2026	30 June 2025 (restated)
Profit for the period	**7,885,522**	7,476,546
Weighted average number of shares	**176,611,163**	176,611,163
Basic and diluted earnings per share for the period	**0.0446**	0.0423

Basic and diluted earnings per share ("EPS") for the period's profit figure for the six-month and the three-month periods ended 30 June 2025 has been restated, in accordance with IAS 33 Earnings per Share. Such restatement was to reflect the capital reduction performed in March 2026 from 293,000,000 outstanding shares to 176,611,163 outstanding shares, to offset all accumulated losses as of 31 December 2025.

Accordingly, the EPS was restated from USD 0.0255 per share and USD 0.0139 per share for the six-month and three-month periods ended 30 June 2025 respectively, as previously disclosed, to USD 0.0423 per share and USD 0.0231 per share, respectively, based on the reduced number of outstanding shares.

16. COMMITMENTS AND CONTINGENCIES

As at the unaudited condensed interim financial information date, the Company has outstanding contractual commitments resulting from purchases, services, and construction contracts, as well as the operating licence of the Company. Following is a summary of the outstanding commitments:

	30 June 2026	31 December 2025
Contracts and purchase orders*	**41,015,331**	3,648,558
Financial contribution commitments**	**40,628,858**	41,000,000

* As at 30 June 2026, the Company had outstanding commitments in relation to contracts and purchase orders amounting to USD 41,015,331 (31 December 2025: USD 3,648,558). The Company issued letters of credit and letters of guarantee against these contracts and purchase orders for USD 32,043,938 as at 30 June 2026 (31 December 2025: USD 10,784,320).

** On 29 December 2025, the Company and MTIT entered into a binding settlement agreement that resolved all outstanding disputes related to the original licence agreement and extended the licence term to 2041. As part of the settlement, the Company undertook certain commitments, primarily representing financial contributions allocated to telecom infrastructure development projects. During the six-month period ended 30 June 2026, the Company placed purchase orders, in relation to these commitments, for USD 36,269,257 which were reported as part of "Contract and purchase orders" above.

17. RELATED PARTY TRANSACTIONS

This item represents transactions carried out with related parties which include the Parent Company, the Ultimate Parent Company, shareholders who have significant influence over the Company and their subsidiaries, key managerial personnel and board of directors. Pricing policies and terms of these transactions are approved by the Company's management.

The balances and transactions with related parties included in the condensed interim statement of financial position are as follows:

	Nature of relationship	**30 June 2026**	31 December 2025
Trade and other liabilities – Brand licence fees	Subsidiaries of a shareholder having significant influence over the Company	**4,122,052**	3,226,536
Trade and other liabilities – Receipt of management services	Immediate Parent Company	**2,748,033**	2,151,022
Due from related parties	Ultimate Parent Company	**1,331,407**	443,707
Employees' benefits	Key managerial personnel	**966,658**	1,111,409
Due to related parties	Subsidiaries of a shareholder having significant influence over the Company	**528,625**	425,459
Right of use assets	Subsidiaries of a shareholder having significant influence over the Company	**342,620**	685,239
Due to related parties	Ultimate Parent Company	**19,114**	11,469
Lease liability	Subsidiaries of a shareholder having significant influence over the Company	**-**	725,886

17. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties included in the condensed interim statement of profit or loss for the six-month period ended 30 June 2026 and 2025 were as follows:

	Nature of relationship	30 June 2026	30 June 2025
Supply of interconnection services	Ultimate Parent Company	**1,590,210**	2,657,916
Company's key management personnel compensation - short term	Key managerial personnel	**983,977**	765,475
Brand licence fees	Subsidiaries of a shareholder having significant influence over the Company	**895,516**	761,028
Receipt of management services	Immediate Parent Company	**597,011**	507,352
Depreciation expense on right of use assets	Subsidiaries of a shareholder having significant influence over the Company	**342,619**	342,619
Company's key management personnel - Post employment benefits	Key managerial personnel	**64,873**	58,469
Outpayment and interconnect charges	Ultimate Parent Company	**58,455**	68,376
Supply of postpaid services	Shareholders	**4,479**	3,473
Interest on lease liability	Subsidiaries of a shareholder having significant influence over the Company	**3,564**	23,977

18. SEGMENT REPORTING

The Company has a single operating and reportable segment "Telecommunication services" because the Board (Chief Operating Decision Maker) reviews performance of the Company only as a whole and not on a segmental basis. The Company is a mobile telecoms operator in Palestine only so there is no segmental information to disclose.

19. CONFLICT IN THE MIDDLE EAST

On 28 February 2026, the security situation in the Middle East escalated significantly following the outbreak of a major military conflict in the region. The situation has led to increased geopolitical uncertainty, including restrictions on regional airspace and disruption to certain economic and logistical activities across several countries. As at the date of approval of this condensed interim financial information, management is not aware of any material adverse impact on the Company's personnel, operations, or assets arising from these developments. However, given the evolving nature of the situation and the inherent uncertainty surrounding its duration and broader regional implications, future impacts cannot be ruled out. At this stage, it is not practicable to reliably quantify the potential effect, if any, that this conflict may have on the Company's financial position, performance, or cash flows.