Shaping a digitally enabled future

Annual Report 2024

Emirates Integrated Telecommunications Company PJSC (du)

Theme of the year

2024 was a pivotal year for du, solidifying our position as an innovative leader in shaping a digitally enabled future.

We launched 5G-Advanced connectivity, expanded our fibre network, and introduced new AI collaborations and advanced ICT solutions supporting sovereign cloud services, accelerated cloud adoption and enhanced cybersecurity standards. The launch of du Pay and the introduction of new sub-brands - du Tech and du Infra - marked significant steps towards financial inclusion and diversified growth supporting the country's digital economy. Strategic alliances with global technology players strengthened our innovative capabilities, highlighting our technology leadership. Our strong financial performance and clear vision position us to lead in the digital world and deliver long-term value to all our stakeholders.

Shaping a digitally enabled future

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At a glance

Integrated digital services enabler

Leading the way into a digitally enabled future, du adds life to life with an extensive range of innovative mobile, fixed, ICT and infrastructure solutions, and fintech services across the UAE. Our digital-first approach is powered by ultra-reliable fibre and 5G technology and a robust partner ecosystem, elevates our customers' experiences, contributes to the UAE's digital transformation and advancement of businesses and society, and shapes a more connected and digitally advanced future across the region.

Our purpose

Adding life to life to make the tomorrow you imagine happen

In a fast-paced nation we believe in adding more than connectivity to make lives easier. We keep adding new, exciting digital experiences.

We provide advanced ICT solutions and expert advice for businesses, whether small or big, to accelerate their digital transformation journey. We are making finances simple, enable innovation, and accelerate progress, empowering our customers to thrive in an interconnected digital world.

Our vision

Our vision is:

To be the foremost provider of connectivity and digital services in the UAE, recognised for our innovation, customer-centric approach, and commitment to excellence.

Our mission

Our mission is to:

- Empower individuals and businesses through innovative solutions and exceptional service
- Be the employer of choice for the best talent
- Create optimal value for our shareholders
- Contribute to the transformation of our community

Our values

The values we adopt to deliver our purpose and strategy are:

- Serving with dedication
- Encouraging curiosity
- Operating with agility
- Creating openness

For more information on our Annual Report and Accounts 2024 please visit:
du.ae/about-us/investor-relations

Our journey

A testament to disruptive innovation and a strategy for growth

2005
Emirates Integrated Telecommunications Company (EITC) was incorporated.

2006
We launched an oversubscribed IPO, and for the first time, there is competition in the UAE telecommunications sector.

2007
Mobile and home services products were launched – we register our first million mobile customers.

2008
We reach the milestone of
3 million
mobile customers.

2009
We achieved a
32%
market share in our third year of operations, exceeding targets.

2010
US$1bn
funding was raised through oversubscribed rights issues and vendor financing.

2011
We inaugurated a customer care centre in Fujairah, fully managed by UAE nationals.

2012
The first Arabian data hub, datamena, is launched by du.

2013
We launched WiFi UAE, aligning with the government's vision to enable WiFi across the country.

2014
We announced a first-in-the-region VoLTE technology, enabling users to talk and browse online simultaneously at exceptionally fast 4G LTE speeds.

2015
We were officially awarded Smart Dubai Partner.

2016
du Samacom Teleport became the first in the Middle East to be certified under the WTA's Teleport Certification programme.

2017
We launched Virgin Mobile, the UAE's first all-digital telco.

2018
We exceeded
9 million
mobile and fixed-line customers.

2019
We launched the nation's fastest 5G network.

2020
We launched e-Shop to support SME corporates in their digital transformation journeys.

2021
We showed our strength in innovation through the successful launch of the 4G Home Wireless Fixed broadband product.

2022
We launched a stand-alone private 5G network solution based on OpenRAN (ORAN).

2023
We achieved a major network milestone as 5G traffic became the most dominant traffic on our mobile network.

2024
Launch of du Pay and revamping our B2B portfolio with the launch of 2 operating sub-brands, du Tech and du Infra. Read more about our 2024 Year in Review on page 7.

Financial highlights

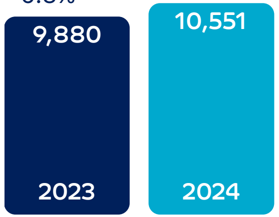
Strong revenue growth coupled with high profitability

Revenues (AED m)

+7.3%

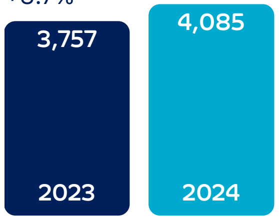
Service revenues[1] (AED m)

+6.8%



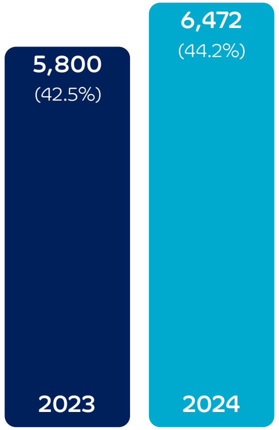
Other revenues (AED m)

+8.7%



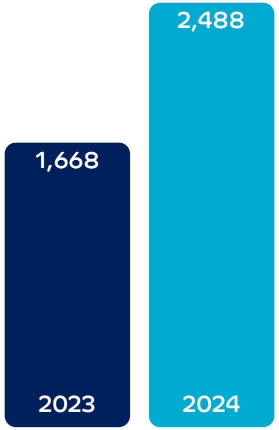
EBITDA (AED m) & Margin (%)

+11.6%



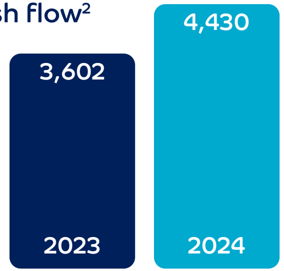
Net profit (AED m)

+49.1%



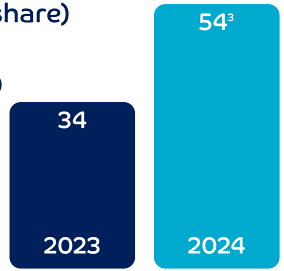
Operating free cash flow[2]

+23.0%



Dividend (fils per share)

+58.8%



Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures

1 Service Revenue is mobile and fixed revenues
2 Operating free cash flow is EBITDA minus Capex
3 Board proposal to be submitted to the AGM 2025 and subject to approval

Operational highlights

Growing subscriber base supported by robust infrastructure

Mobile customer base (thousand)

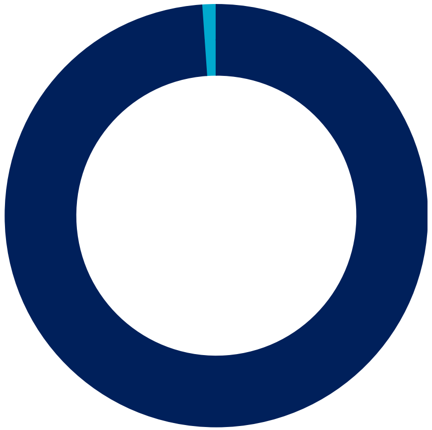
+4.2%

Fixed customer base (thousand)

+12.8%

5G network population coverage in the UAE

99%



Homes passed[1] (thousand)

+7.9%

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures

1 Ready For Service Units

Year in review

Enabling a digital future

Our unwavering commitment to lead the way in a digitally inter-connected future – empowering individuals and businesses through innovative solutions and exceptional service – saw us achieve incredible progress in 2024.

January – March

We launched the "Care Connect" platform to elevate the enterprise customer experience, transform network service transparency and facilitate seamless communication within organisations.

We announced the collaboration with AWS to build a Cloud Center of Excellence (CCoE) – with a focus on data Internet of Things (IoT), artificial intelligence (AI), and machine learning (ML) – to provide industry-specific cloud solutions to enterprises and public sector organisations.

Microsoft

We announced our collaboration with Microsoft, adopting Generative AI technology across our operations to enhance employee productivity and transform the customer experience.

du Samacom received Teleport Tier 4 Certification from the World Teleport Association, reiterating our commitment to building a robust satellite infrastructure.

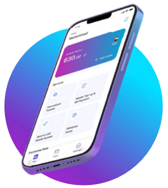
The commercial deployment of 5G Advanced solidified our position as a leading digital telco.

Samsung Care+

Our partnership with Samsung was announced to expand its digital service business and offerings, such as Samsung Care+, through retail, online, and mobile channels.

Year in review continued

April – June



The launch of "du Pay" was announced, offering transformative fintech solutions for UAE residents.

UNITED ARAB EMIRATES
MINISTRY OF INDUSTRY
& ADVANCED TECHNOLOGY

EDB
مصرف الإمارات للتنمية
Emirates Development Bank

MoIAT, du and Emirates Development Bank signed an MoU to empower companies to adopt 4IR solutions, aiming to select 100 high-potential manufacturers and supporting them to shape a digitally enabled future.

July – September

We launched the graduate trainee programme Future X to nurture UAE national talent into industry-leading professionals.

We exceeded first-quarter waste management targets, with

21%

landfill diversion across 145 UAE locations.

Named

3rd

strongest brand in the UAE and 7th in the Middle East, by Brand Finance with a brand strength index (BSI) of 82.5 points.

The launch of Hyperscale Cloud and Sovereign AI Services for the UAE Government with Oracle Alloy was announced.

We partnered with DIFC Innovation Hub to launch the "du Business Entrepreneurship Programme", designed to provide substantial support to entrepreneurs and start-ups.

DIFC
Innovation Hub

We hosted Envision 2024, bringing together government dignitaries, industry leaders, and decision-makers to explore a future shaped by artificial intelligence and digital transformation.

We deployed the Middle East's first indoor 5G-Advanced network, achieving 5.1Gb/s speeds via a three carrier aggregation and Huawei LampSite X.

Year in review continued

October – December

du Tech and du Infra were announced to formalise and structure our business offerings under these sub-brands, demonstrating our commitment to comprehensive digital transformation solutions.

We joined the The Orange Alliance programme to strengthen collaboration, drive innovation and accelerate digital transformation.

We won Organisation of the Year for Youth Empowerment at the GCC GOV HR and Youth Awards 2024.

Enterprise Plus, a business solution combining the power of fibre, ultra-speed broadband security and SD-WAN was launched.

We unveiled a state-of-the-art "du Innovation Centre" in a move towards the commercialisation of the latest in technological innovations.

We received the Environmental, Social, and Governance (ESG) Label by the Dubai Chamber of Commerce in recognition of our leading sustainable business practices.

Our strategic partnership with Telefónica to accelerate innovation and foster mutual business growth was announced.

In partnership with AIHostingHub, we successfully deployed the first ever NVIDIA supercluster in the GCC, marking a significant advancement in the data centre and AI technology landscape.

The First Commercial 5G Cloud RAN Deployment in the Middle East and Africa was announced, in collaboration with Nokia.

A message from our Chairman

Fast-tracking digital innovation and growth

Shaping the UAE's digital-driven future

Dear valued Shareholders,

As we navigate through an era of unprecedented technological change, our journey reflects not just our company's evolution but our pivotal role in shaping the UAE's digital future.

Our transformation from a traditional telecom operator to a comprehensive digital services enabler is a multi-year journey that demands persistence and adaptability. The introduction of du Tech and du Infra marks a significant milestone in this evolution, reflecting our commitment to driving digital transformation across all sectors of the UAE economy. Additionally, our entry into financial services with the launch of du Pay in 2024 represents a new approach to delivering choices for our customers as we evolve as a digital marketplace.

The scale of this transformation is significant - and I am pleased that we have continued to meet our responsibilities as a driver of personal and professional success. Our networks now support close to 9 million mobile subscribers and 0.7 million fixed subscribers, forming the backbone of the UAE's digital economy. This reach brings with it great responsibility – to ensure that our services remain accessible, reliable, and at the forefront of innovation.

In 2024, we continued to benefit from an exceptional environment. The UAE economy showed sustained resilience, within the context of significant global economic and geopolitical uncertainties. The country's robust non-oil sector growth, combined with government-led diversification initiatives and a growing population, created an environment rich with opportunity. Investments in green infrastructure, advanced manufacturing, and digital technologies bolstered economic performance and reinforced the UAE's reputation as a global hub for commerce and progress.

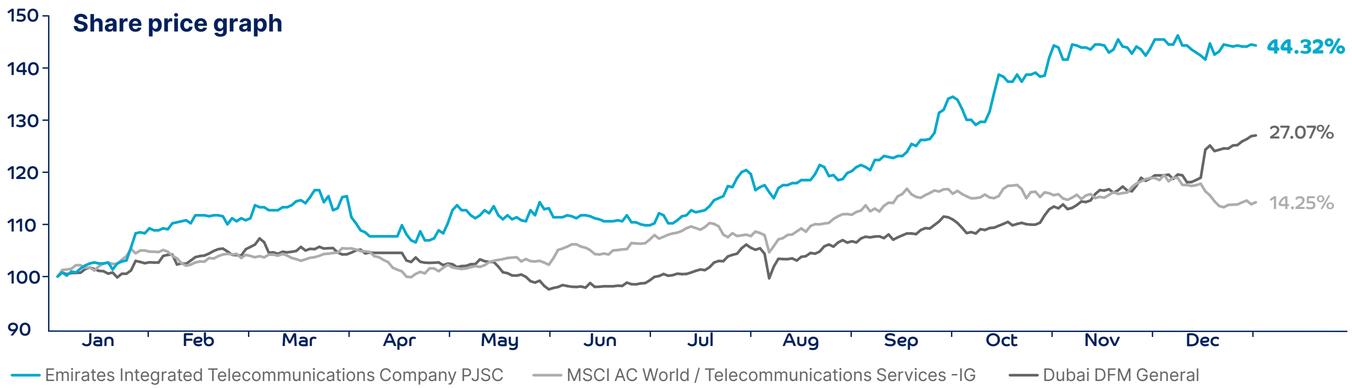
A message from our Chairman continued

These dynamics provided fertile ground for further digital progress in 2024, boosted by strong demand for new-generation technologies and the government's drive to adopt Artificial Intelligence (AI). In this setting, the telecom sector re-affirmed its role as the UAE digital backbone and we strengthened our ability to meet the demands of the digital economy, offering innovative consumer and enterprise solutions as well as next-level connectivity and real-time data analytics for high-impact sectors.

These operational advancements were further strengthened through strategic partnerships with global technology leaders supporting sovereign cloud services, accelerated cloud adoption and enhanced cybersecurity standards, all aligned with the UAE's digital government goals. Together, these initiatives not only enriched our service portfolio but also positioned us as a trusted partner for businesses and governmental entities in their digital transformation journeys.

As a result of our operational and strategic achievements, and our focus on efficiently running our activities, our financial performance in 2024 was exceptional, with strong revenues coupled with exceptional profitability. This performance is a testament to the resilience of our business model and the effectiveness of our strategic initiatives. It has given the Board ample confidence to propose a dividend of 54 fils per share for 2024 — up 59% from the previous year — and the highest dividend declared in our history.

While we implement our transformation agenda, our focus on sustainability remains integral to our ability to deliver such a strong level of sustained shareholder value. During the year, progress has been made in our mission to achieve net zero Scope 1 and 2 emissions within our UAE operations by 2030. We also remain committed to achieving our Scope 3 objectives by 2050. To make this happen, we will continue to reduce our carbon footprint through energy efficiency and renewable energy sourcing.



Last but not least, I was pleased to welcome four distinguished individuals to our Board of Directors, each bringing invaluable expertise in areas such as digital transformation, technology, innovation and strategy. Their insights will be instrumental as we continue to enhance our technological leadership, expand our customer base, and drive sustainable growth in the ever-evolving telecom industry.

Looking ahead to 2025, we are poised to build on a year of important strategic outcomes by consolidating our position in the telecommunications sector while exploring new opportunities in digital ICT and B2B services to address evolving market demands. Investments in emerging technologies will be prioritised as we align with both customer expectations and broader national objectives. With a clear vision for the future, we are confident in our ability to achieve sustainable growth and continue to create substantial value to our shareholders while shaping a digitally empowered future for the UAE.

On behalf of the Board of Directors, I extend my deepest gratitude to our employees, partners, and stakeholders for their support throughout this transformative year. Together, we will continue building on these successes as we strive towards achieving even greater milestones in 2025.

Mr Malek Sultan Al Malek
Chairman of the Board

CEO statement

The essence of a true challenger brand. The UAE's integrated digital enabler

2024 was a landmark year that showcased our transformational journey, where we achieved unprecedented success across our key operational and financial metrics, and demonstrated market leadership, strategic expansion and exceptional financial performance while reinforcing our position as the UAE's leading integrated digital enabler and trusted digital transformation partner

I am immensely proud of our accomplishments in 2024, a year that will be remembered for pioneering achievements and record-breaking financial outcomes. The year represented a period of major operational, strategic and technological change - characterised by relentless determination and an unwavering focus across every part of the business. The unity of purpose that has been cultivated over many years at du has delivered an outstanding and exceptional set of results, reinforcing our position as the UAE's integrated digital enabler.

As a challenger in a fast-evolving digital landscape, we have continued to disrupt established norms and gain market share. Our distinct approach has led to the introduction of market-first solutions and services, particularly in underserviced sectors, as demonstrated by the launch of du Pay. This challenger spirit drives our strategic attitude, enabling us to address specific customer needs.

In 2024, we were recognised as the third strongest brand in the UAE by Brand Finance, a proud achievement, reflecting the trust we have built with customers and stakeholders. In parallel, our commitment to customer centricity has yielded consistent improvements in the Net Promoter Score (NPS), setting new benchmarks for service excellence. New partnerships with Orange and Telefónica opened the door to global expertise, including advanced technologies, and best practices. These collaborations enhance our operational capabilities, expand service offerings, and demonstrate our commitment to operational excellence and cost optimisation.

CEO statement continued

Strategic transformation realised

In a strategic move that has redefined our market positioning, we launched du Tech and du Infra sub-brands, a watershed moment in our evolution from a connectivity provider to an integrated digital enabler. This transformation reflects our deep understanding of evolving market demands and reinforces our position as an innovator in the development of B2B products and solutions. du Tech is at the forefront of our transformation, driving digital innovation and enabling sustainable, secure, and agile solutions for government, enterprises, and SMEs, with cutting-edge technologies like Data Centres, hybrid cloud, sovereign AI, blockchain, and cybersecurity to support the UAE's visionary goals. du Infra enhances network operations by providing advanced infrastructure services that ensure secure data flow and drive efficient operations for public agencies and businesses. du Business, du Infra, and du Tech represent our commitment to leading the digital transformation journey in the UAE. Our portfolio is now designed to lead the way in a digitally woven future.

Our focus on seeking profitable growth has translated into exceptional financial performance in 2024, with stellar revenues, EBITDA, margins, and net profit. The strong revenue growth across all segments, including mobile, fixed, and "other revenues", underscores the success of our focused strategy and our evolution to a leading telecom and digital services provider. This robust financial health empowers us to further invest in service quality, propel our transformation journey and generate value to all our stakeholders.

Powering the digital economy

In 2024, we strengthened our position through strategic partnerships with global technology leaders, reasserting our natural role as a key pillar of the digital economy. A notable example is our partnership with Oracle, which will enable us to offer cloud and sovereign AI services to business, government, and public sector organisations in the UAE. Our recent partnership with AI Hosting Hub underscores our commitment to growing in the data centre and cloud sectors. Collaborations with leading global technology players at GITEX 2024 have also strengthened du's capacity to support AI, 5G, and data sovereignty, reinforcing the UAE's national digital ambitions. We are playing a critical role in the UAE government's digital strategy, transforming public services, in sectors such as healthcare and education.

Digital infrastructure leadership

We continue to enhance our infrastructure capabilities, with the successful deployment of 5G Advanced technology and the expansion and enhancement of our fibre network. The increase of our traffic on our 5G network to more than 70% and the continued growth of our fixed customer base validates our infrastructure investment strategy and commitment to comprehensive connectivity solutions.

People and culture excellence

In 2024, du achieved an employee engagement score of 85 in Glint's Culture & Employee Engagement Index, placing us in the top 10% globally. This milestone reflects du's commitment to fostering a vibrant, inclusive workplace culture through initiatives including enhanced recognition programmes, and launching career development opportunities such as the Emirati Majlis and the launch of the Digital Talent Programme. We also continued to build out our pipeline of future talents through the launch of the FutureX Graduate Programme and partnerships with educational institutions. These set out to nurture a robust talent pool of skilled professionals to drive our digital transformation agenda forward.

CEO statement continued

Sustainability progress

In 2024, we also made significant strides in our sustainability journey, building on our commitment to the UAE's net zero ambitions. We expanded our innovative "Solar on Tower" initiative, significantly reducing our carbon footprint and energy consumption. Our efforts in waste management surpassed targets, with a substantial increase in waste diversion from landfills. We also intensified our focus on digital inclusion, launching new initiatives to empower people of determination and underserved communities with accessible telecommunications services.

"We have been recognised as the 3rd strongest brand in the UAE by Brand Finance, a testament to our enduring customer relationships."

Future outlook

Looking beyond 2024, we plan to reinforce our core services while selectively broadening our adjacent offerings, with an emphasis on ICT, fintech and embedding AI and other emerging technologies into new product lines. We remain fully committed to supporting the crucial objectives laid out in the UAE Vision and national agenda, ensuring that our strategies are aligned with the country's digital transformation and sustainability goals. We will continue to pursue strategic service and product development opportunities across our core and non-core businesses, while maintaining our commitment to excellence. This approach will help us shape a robust path for sustained growth and nationwide advancement.

I wish to express my deep gratitude to the Board, management team and all employees across the company for their exceptional performance this year. Together, we have made significant strategic progress and generated substantial value for all our stakeholders.

Fahad Al Hassawi
Chief Executive Officer

Market overview

Enabling a digitally interconnected future

The UAE's telecommunications sector is one of the most advanced, dynamic, and fastest growing in the world. These characteristics have continued to provide fertile ground for du in our role as a challenger brand and digital disruptor.

"The sector's growth remained robust in 2024, underpinned by the UAE's economic resilience, world-leading ICT infrastructure and a pro-growth regulatory backdrop."

Economics and population growth

The UAE's economy continued its upward trajectory in 2024, with non-oil sectors surpassing pre-pandemic performance levels. 2024 GDP growth is expected to be at 4%[1], with the non-oil sector expected to grow by 4.9%[2]. A surge in tourism and steady population growth have fuelled consumption, while the influx of corporations and high-net-worth individuals attracted by progressive government policies have further bolstered economic activity.

11 million

UAE population[1]

4.0%

2024 GDP growth[1]

231%

Mobile penetration[3]

A growing digital economy

As of December 2024, the UAE telecom market generated revenues of AED 47.7 billion[4], with strong growth anticipated in the coming years, driven by evolving digital infrastructure, technological advancements, and rising connectivity demands. As a catalyst for digital innovation, we solidified our position as the leading driver of the 5G revolution in 2024, with over 70% of mobile traffic on our network driven by 5G usage. This milestone underscores the transformative impact of 5G technology across the nation, offering unprecedented speeds and low latency.

National infrastructure

Thanks to the UAE's supportive regulatory environment and government-led infrastructure development, we benefit from the UAE's position as having the world's fastest network. Continued national leadership in areas such as cybersecurity and the 6G roadmap provides us with the confidence to continue to innovate, invest and grow into the future.

1 IMF World economic outlook – October 2024
2 CBUAE Q3 2024
3 GSMA Q4-24
4 Company reports

Market overview continued

Artificial intelligence

The AI market has become a transformative force in telecommunications and digital communications, with wide-reaching economic implications. We have positioned our company at the forefront, implementing over 50 AI use cases across our operations. We leverage AI for innovation in customer service, network optimisation, roaming insights, anti-fraud solutions, and capacity management, improving efficiency and delivering tailored solutions to meet market demands.

Fibre and mobile segment growth

The UAE continued to lead in Fibre-to-the-Home (FTTH) penetration, providing businesses and consumers with unparalleled internet connectivity. With a penetration rate of 99.3%, the UAE has retained its rank as the global leader in FTTH connectivity (higher than Singapore, Hong Kong, and China[5]). Our strategic focus on expanding our fibre network contributed significantly to this achievement.

Market position and future outlook

du's leadership in 5G network coverage and our commitment to digital transformation positioned us at the forefront of the UAE's telecommunications landscape in 2024. As we look ahead, we remain dedicated to driving innovation, enhancing connectivity, and supporting the UAE's vision of a digitally empowered future.

5 FTTH Council Europe - 2024 FTTH/B global ranking

OPPORTUNITIES REALISED

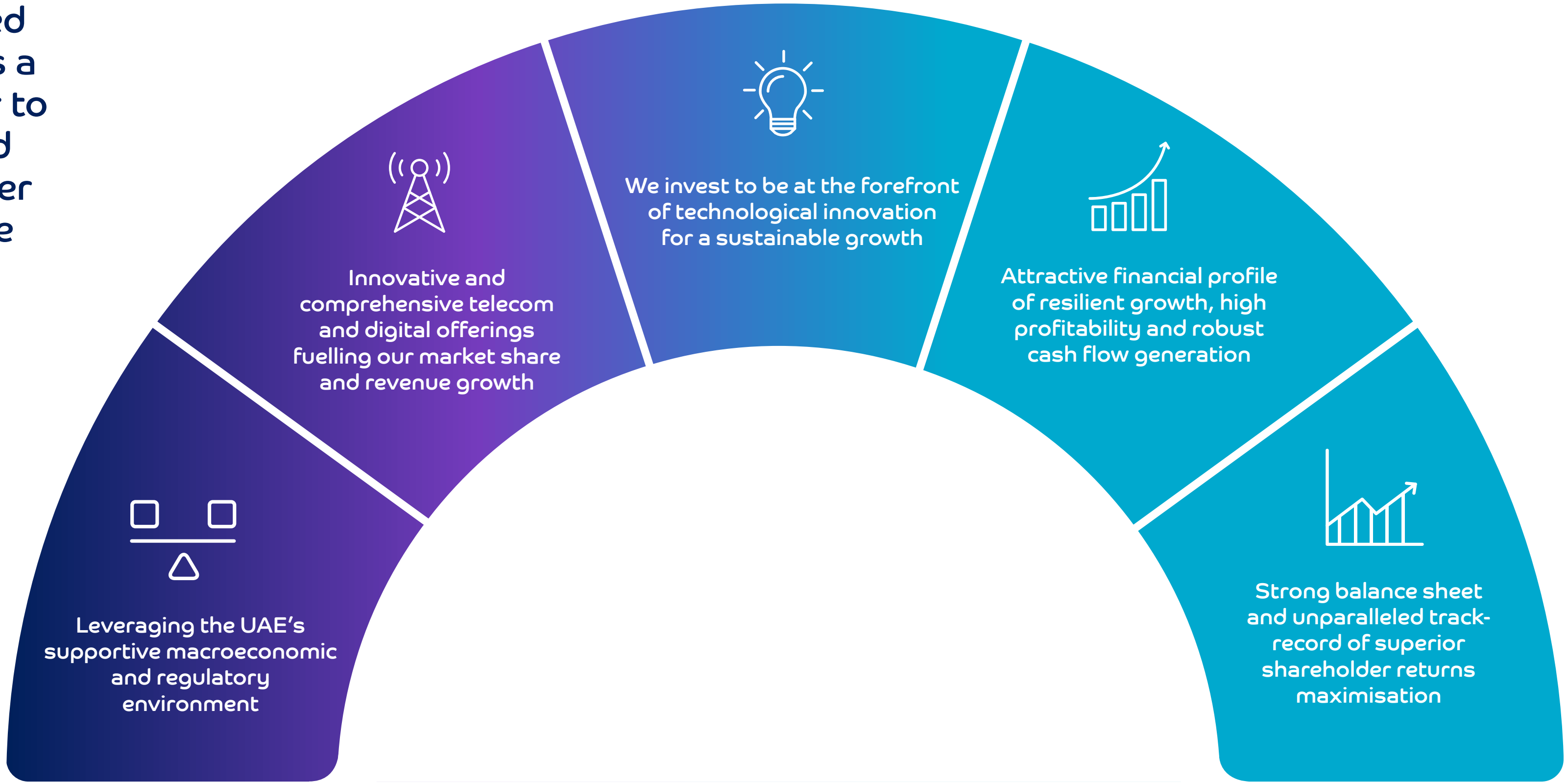
In 2024, we capitalised on key opportunities within the national economy, aligning our strategies with major growth drivers across the telecommunications and ICT markets.

- **Fintech integration:** The launch of digital financial services, such as our du Pay proposition, opened new revenue streams and supported the UAE's transition towards a cashless economy. They also benefit the underserved blue-collar workers by providing them with easy access to financial services, especially for international transfers.
- **ICT expansion:** We diversified our portfolio beyond traditional telecom services, venturing into cloud computing, AI-driven analytics, and IoT integration. The new sub-brand du Tech showcases the company's strategic shift towards comprehensive ICT solutions and consultancy services and allows us to offer a broader range of products.
- **Enterprise solutions:** The sector saw significant growth in B2B services, with a focus on providing tailored solutions for industries such as logistics and healthcare. In 2024, du introduced "Business Starter 5G" for small businesses across the UAE, providing them with unconstrained 5G speeds at affordable prices. We also further diversified our SME offerings by introducing new services such as Business Complete and SIP trunks.
- **Home connectivity:** The continued success of fixed wireless access (FWA) and fibre broadband plans demonstrated the market's appetite for high-speed, reliable home internet solutions. In 2024, du's Home Wireless proposition continued to drive market growth, achieving robust market share expansion. We also leveraged our fibre investments across the UAE to increase the acquisition of fibre customers in recently built areas, providing thousands of new customers with high-speed fibre connectivity.

Business model

Shaping a digitally enabled future

"We have transcended our traditional role as a connectivity provider to become an integrated digital services enabler at the forefront of the UAE's technological advancement."



Business model continued

Leveraging the UAE's supportive macroeconomic and regulatory environment

- We benefit from the UAE's attractive macroeconomic environment, with a growing population and a diversified, growing GDP
- We are aligned with the government's digital strategy, supporting the ambitious digitalisation programme

4.0%

2024 GDP growth

Innovative and comprehensive telecom and digital offerings fuelling our market share and revenue growth

- Solid market position as a challenger in a two-player market
- Our strategy to diversify beyond traditional telecom services is positioning us as an integrated digital enabler
- Our fintech venture, du Pay, is revolutionising financial inclusion for underserved segments
- We are capitalising on the booming data centre market, forging partnerships to drive growth in cloud and managed services

200+

countries to which du Pay users can send money

We invest to be at the forefront of technological innovation for a sustainable growth

- 5G population coverage of 99% and 99% fibre penetration
- Our Fixed Wireless Access offerings, like Home Wireless, are expanding our reach
- We have introduced Mobile Private Networks (MPN) for vertical industries
- Investing in AI capabilities to create cost savings and performance improvements
- Advancing towards autonomous network capabilities, enabling faster interventions and proactive management
- Focusing on sustainability, with initiatives like the "Solar on Tower" project contributing to our Net Zero goals

+70%

mobile traffic now runs on our 5G network

Attractive financial profile of resilient growth, high profitability and robust cash flow generation

- Revenue growth of 7.3% year-over-year, reaching AED 14,636 million
- EBITDA increase of 11.6% to AED 6,472 million and EBITDA margin of 44.2%
- Net profit surge of 49.1% to AED 2,488 million
- Operation cash flow increase of 23.0% to AED 4,430 million

7.3%

revenue growth year-over-year

Strong balance sheet and unparalleled track-record of superior shareholder returns maximisation

- With a debt-free balance sheet, we maintain exceptional financial flexibility enabling us to invest strategically in growth opportunities, while ensuring increasing shareholder returns
- In 2024, our Board of Directors proposed a total cash dividend of AED 0.54 per share, representing a 59% increase compared to 2023

AED 0.54

total cash dividend per share

Business model **continued**

How we are organised

Our diversified revenue stream

Mobile

Our mobile services include a range of postpaid and prepaid plans with tiered voice and data packages, 5G connectivity, exclusive partnerships, content, international roaming options, and enterprise solutions, such as IoT connectivity and managed mobility services.

Read more on page 30.

Fixed

We deliver fibre-optic broadband, home wireless internet, content subscriptions and premium content applications, bundled TV packages, and a range of fixed business solutions.

Read more on page 32.

Wholesale

Our wholesale services include global telecom interconnectivity, voice and SMS termination, roaming partnerships, network sharing/co-location with bandwidth provisioning, plus fraud prevention APIs, carrier billing, messaging platforms, and mobile number portability support for operators.

Read more on page 34.

Others

Our Other services consist of a suite of core and non-core services, including fintech, ICT (data centre co-location, multi-cloud, cybersecurity, IOT, etc.), broadcasting services, international roaming and equipment sales including handsets and accessories.

Read more on page 35.

Business model continued

How we create value

Our customers

Enhanced digital experiences through our digital-first approach, with over three million customers using the du app.

Our people

Building a digitally skilled workforce equipped with AI, cybersecurity, and data analytics capabilities.

Our shareholders

Driving strong financial performance and high dividend yield.

Communities

Contributing to the UAE's digital transformation and supporting financial inclusion initiatives through du Pay.

Our government

Supporting the UAE Digital Government Strategy and enabling smart city initiatives.

Suppliers and partners

Collaborating with global technology leaders like Microsoft, AWS, and Oracle to enhance service capabilities.

Our strategy

A leading telecom and digital services provider

Our strategy strengthens our established telecommunications foundation while expanding into selected high-potential adjacent sectors, leading to substantial value upside for our shareholders.

Lead and grow: focus on core and selected adjacent opportunities

Differentiate through segmented offerings and tailored solutions to meet the diverse needs of customers. Expand into high-growth adjacent areas such as fintech and data centres to unlock new revenue streams.

Digital-first customer experience: journey to simplification and personalisation

Adopt a digital-first approach across products, services, and customer journeys to redesign the customer experience and deliver enhanced accessibility, simplicity, efficiency, and satisfaction.

State-of-the-art infrastructure: enabler for a digital economy

Deploy cutting-edge technologies to support industry-leading connectivity, scalability, operational excellence, and advanced enterprise use cases.

Performance-driven culture: building a workforce for a digital future

Build a digitally skilled workforce equipped to address future challenges while fostering employee engagement, collaboration and a performance-driven company environment.

Unlock shareholder value: through business excellence and expansion

Focus on profitable growth in core and adjacent areas while maintaining operational efficiency to deliver strong results to shareholders.

Lead and grow: focus on core and selected adjacent opportunities

2024 Strategy in action:

- Fintech expansion: The launch of du Pay has positioned us as a key enabler of financial inclusion, particularly for underserved segments like blue-collar workers, by offering 24/7 digital local and international transfers and supporting the UAE's transition to a cashless economy.
- Selected adjacent areas growth: The data centre business continues to show strong potential, and projects with players such as the AI Hosting Hub are driving growth in cloud and managed services. The growth in data centres aligns with the increasing demand for AI-driven solutions and hyperscaler cloud offerings.
- Segmented offerings: Micro-segmentation strategies have led to targeted products such as Home Wireless for fibre-limited areas and exclusive tourist packages like the Happiness Card, which includes discounts at key attractions.

Future plans

Growth in selected adjacent areas will be driven by the accelerated expansion of duTech's ICT portfolio and the strong expansion of data centre infrastructure to support partnerships with hyperscalers and regional cloud providers. These, together with our secure, sovereign cloud infrastructure, will give enterprises the tools they need to build comprehensive digital platforms for business success. Furthermore, the evolution of du Pay will introduce new financial services, while new solutions for SMEs - such as bundled connectivity and payment services - will be developed to accelerate diversification. Finally, an exciting portfolio of new digital services will reach the market during the year to give consumers a wider choice of relevant services.

Digital-first customer experience

2024 Strategy in action:

- Over three million customers now use the du app, reflecting increased digital adoption and engagement.
- The IT transformation programme has streamlined customer experiences by transforming legacy systems, enabling faster service delivery and personalisation.
- Customer Value Management (CVM) tools now leverage real-time predictive analytics to anticipate customer needs, such as offering airport parking solutions via SMS based on location data.

Future plans

Gen AI-powered solutions will be integrated into the du app for real-time support, while the IT Transformation Programme is adding flexibility, immediacy, and innovation to ensure seamless service. Enhanced CVM tools will enhance the delivery of hyper-personalised offers by leveraging advanced, secure, and ethical AI algorithms.

State-of-the-art infrastructure: enabler for a digital economy

2024 Strategy in action:

- We have maintained our leadership in 5G deployment, achieving over 70% of overall mobile traffic on our 5G network while expanding fixed wireless access offerings like Home Wireless.
- Partnerships with global players such as Oracle (Oracle Alloy) have enhanced ICT capabilities, enabling advanced enterprise sovereign cloud computing solutions.
- Mobile Private Networks (MPN) have been introduced to serve vertical industries like logistics with dedicated bandwidth for real-time IoT applications.

Future plans

Powered by our 5G Advanced network and expansive fibre connections, we will accelerate and widen access to our indoor 5G-Advanced network and rural fixed wireless access. We are also implementing an agile IT stack, leveraging advanced analytics, and collaborating on industry-specific cloud solutions to target enterprise growth with Mobile Private Networks (MPNs), cybersecurity, IOT and sovereign cloud offerings.

Performance-driven culture: building a workforce for a digital future

2024 Strategy in action:

- Employee engagement initiatives have significantly improved engagement scores to the top decile of enterprises globally. Furthermore, we earned awards such as EHSA's Best Workplace Design Silver Award.
- Training programmes focus on equipping employees with AI, cybersecurity, and data analytics skills to align with our digital transformation goals.
- Work culture initiatives that included partnerships with wellness platforms, like Mamahood, for mental health support.

Future plans

We will enhance reskilling programmes focused on digital and GenAI capabilities. A new internal digital platform will enhance cross-departmental collaboration, while wellness initiatives will expand with tailored mental health resources.

Unlock shareholder value: through business excellence and innovation

2024 Strategy in action:

- Revenues grew by 7.3% year-on-year in 2024, driven by robust performance across mobile, fixed, and ICT segments, including data centres.
- EBITDA margin reached 44.2%, reflecting effective cost management and better revenue mix.

Future plans

We aim to deliver continued year-on-year revenue growth, robust EBITDA margins, strong cost management and strategic investments to accelerate and diversify cash generation and overall profitability as a route to creating sustained shareholder value.

Strategy in action

Shaping a digitally enabled future

Elevating our multi brand identity across the UAE

In 2024, we revamped our B2B portfolio with the introduction of du Tech and du Infra each carefully focused on fulfilling distinct customer needs within a cohesive portfolio.

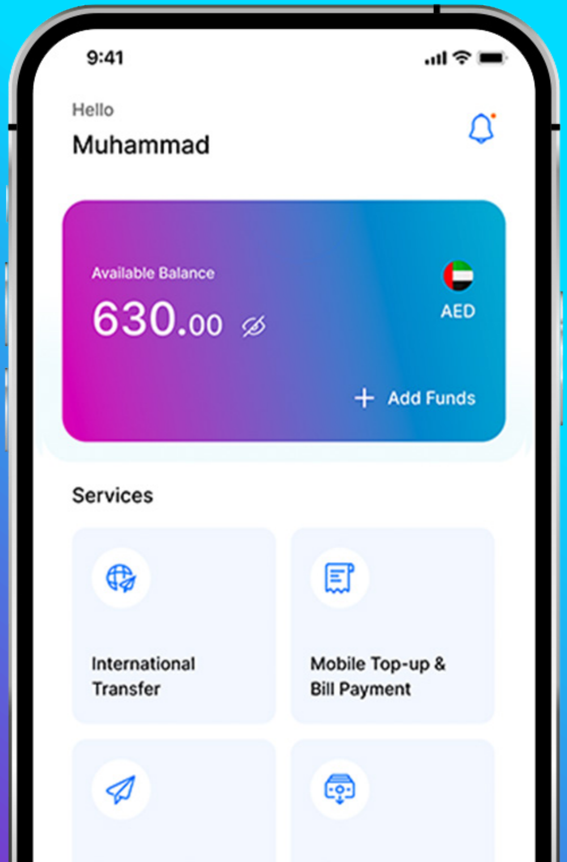
In 2024, we restructured our brand architecture, building on the strength of our du brand while increasing the visibility for new, beyond the core products and services to engage more efficiently with a broad range of customers. du Business delivers superior end-to-end solutions powered by a leading 5G and Fibre network, enabling businesses to boost productivity, agility, and success in their digital journey. du Tech empowers modern enterprises with advanced ICT solutions to drive sustainable, secure, and agile technological advancements. du Infra ensures secure, seamless data flow and optimised network operations, providing cutting-edge infrastructure and trusted solutions to help businesses and government agencies thrive in the digital landscape. These two new operating sub-brands are joining the existing sub-brand du Business which delivers superior end-to-end solutions powered by a leading 5G and Fibre network, enabling businesses to boost productivity, agility, and success in their digital journey. Each brand adopted strategies directed at meeting concrete market demands, providing options in both everyday transactions and complex organisational tasks. This branded alignment placed us within reach of new audiences and enhanced our ability to deliver tangible, focused solutions at scale.

Shaping a digitally enabled future

Introduction of du Pay in the digital finance arena

We have enthusiastically embraced the vast potential of fintech by rolling out du Pay, which is designed to serve the UAE's evolving digital payment requirements and enhance consumer financial convenience.

We launched du Pay as a modern digital finance service, offering simplified transactions, bill payments, and contactless transfers. This platform introduced a protected mobile wallet, enabling transfers directly to any mobile number, and funds received through bank accounts or on du Pay account. Collaborations with trusted financial authorities established secure compliance standards for anyone joining. Through dedicated promotional efforts, we informed both urban and underserved communities, demonstrating how du Pay could streamline finances. The immediate user response exceeded initial projections, reflecting the growing local demand for comprehensive digital finance products. This step solidified our presence in the consumer payments space and expanded our service portfolio.



Strategy in action continued

Shaping a digitally enabled future

Collaborating with Telefonica and Orange on global expertise

We have secured alliances with two major telecommunications companies to exchange knowledge, refine operations, and better serve our clients.

Our agreements with Telefonica and Orange integrated their global insights with our local market experience, creating new opportunities to address cross-border and in-country requirements. We examined enterprise needs, including high-volume data services, integrated billing, and consistent roaming features. By sharing tools and proven methods, we accelerated parts of our service delivery to our clients in diverse industries. Through joint initiatives, we expanded our offerings and delivered integrated support to businesses operating in various industries. These partnerships expanded our service knowledge while amplifying our impact on larger corporate markets. The resulting collaborations broadened our reach and offered fresh growth prospects, marking an important achievement in our journey to serve customers across multiple industries.

CFO statement

Record financial performance and disciplined diversified growth

In 2024, we achieved record financial success, demonstrating market leadership and strengthening our market position through strategic diversification, digital innovation and operational excellence while delivering exceptional returns to our shareholders.

2024 was a landmark year for us. We reported exceptional financial performance reflecting the achievement of our strategic milestones and underpinning our position as a leading telecom and digital services provider in the UAE. Through a combination of disciplined strategy execution, robust financial management, continuous innovation, and operational excellence and supported by a favourable macroeconomic environment in the UAE, we witnessed substantial growth across our business lines, leading to the growth in our revenues, EBITDA, cash flow and net profit. We have affirmed our challenger status and are now commanding 33% market share of the fixed segment and 40% of the mobile segment[1].

Financial excellence and market leadership

In our mobile segment, we witnessed remarkable growth, with revenues surging by 7.3% year-over-year to reach AED 6.5 billion. This growth was driven by strong expansion in the postpaid segment, increased mobile Average Revenue Per User (ARPU), successful implementation of customer value management initiatives and the revamp of our distribution strategy.

The mobile subscriber base grew by 4.2%, reaching 8.9 million subscribers. This strong performance was driven by the postpaid segment, which grew by an impressive 10.0%, underscoring the appeal of our innovative enterprise solutions and consumer offers and our ability to meet the ever-evolving needs of our customers.

1 Based on the number of subscribers

CFO statement continued

The fixed segment demonstrated an equally robust performance, with revenues climbing 6.0% to AED 4.0 billion. Key drivers were the continued success of our Home Wireless product, including the scale-up of Virgin Mobile Home Wireless offering, strong uptake of enterprise broadband solutions, and the expansion of our fixed network into underserved areas. Our fixed customer base saw a substantial year-over-year growth of 12.8%, reaching 682,000 subscribers, reflecting the increasing demand for our fibre and Home Wireless services.

“Other revenue” segment increased by 8.7% year-over-year driven by a strong increase in our ICT business and highlighting the successful diversification of our revenues beyond connectivity. The growth was also driven by the higher mobile subscriber base resulting in higher interconnection revenues, higher roaming revenues due to increased tourist influx in the country and increasing handset sales owing to the successful launch of the iPhone16.

Highly profitable and cash-generative growth

In 2024, our EBITDA grew by 11.6% to AED 6.5 billion, with an EBITDA margin of 44.2%. This excellent performance was driven by revenue growth, an improved revenue mix and effective operating expense management, underpinned by a strong culture of cost awareness and efficiency across the organisation.

Net profit grew by a stellar 49.1%, supported by EBITDA growth and post-EBITDA items, including the benefits of the new federal royalty and tax regime and efficient cash management.

Capital expenditure has continued its normalisation path and now stands at 14.0% of the total revenues. We maintained strategic investments in network quality while focusing on 5G densification and indoor coverage. We continued fibre deployment, supporting new development projects across the country. We achieved a significant milestone in our IT transformation journey with the partial migration of our customer base to our new state-of-the-art IT system. Looking ahead, our strategic focus will remain on 5G network expansion, fibre deployment, and IT transformation, ensuring we remain at the forefront of innovation and market leadership.

Our operational cash flow grew by 23.0%, driven by EBITDA improvement and capex normalisation. This has enabled us to further strengthen our liquidity position, standing at AED 4.3 billion as of 31 December 2024, equipping us with the financial resources to continue developing our business.

Financial health and shareholder value

Our strong financial performance, healthy cash flow generation, and robust balance sheet enabled us to recommend the maximum amount of dividends per share allowed by our policy. The Board recommends distributing AED 34 fils per share as the final dividend for 2024, taking our full-year distribution to 54 fils per share, which is the highest dividend in the history of our company. The evolution of our stock price further reflected our strong performance and market confidence, with du’s share price increasing by 44%, becoming one of DFM’s best performers in 2024. du’s inclusion in Forbes Middle East’s top 100 listed companies further underscored our commitment to maintaining transparent dialogue with the investment community – a central tenet of our investor relations and communications strategy.

2025 and beyond: profitable growth, diversification and partnership

We will continue to focus on growing our core business while selectively investing in adjacent businesses to diversify our revenue streams further and strengthen our market positioning, especially in the areas of fintech and data centres. Investment in enhancing our digital services and transformational network technologies will remain a key objective, ensuring we remain at the forefront of innovation. Finally, by focusing on sound financial management, we aim to drive continued profitable growth, further strengthen our market position and create sustained value to our shareholders.

Kais Ben Hamida
Chief Financial Officer

Operational review

Overview

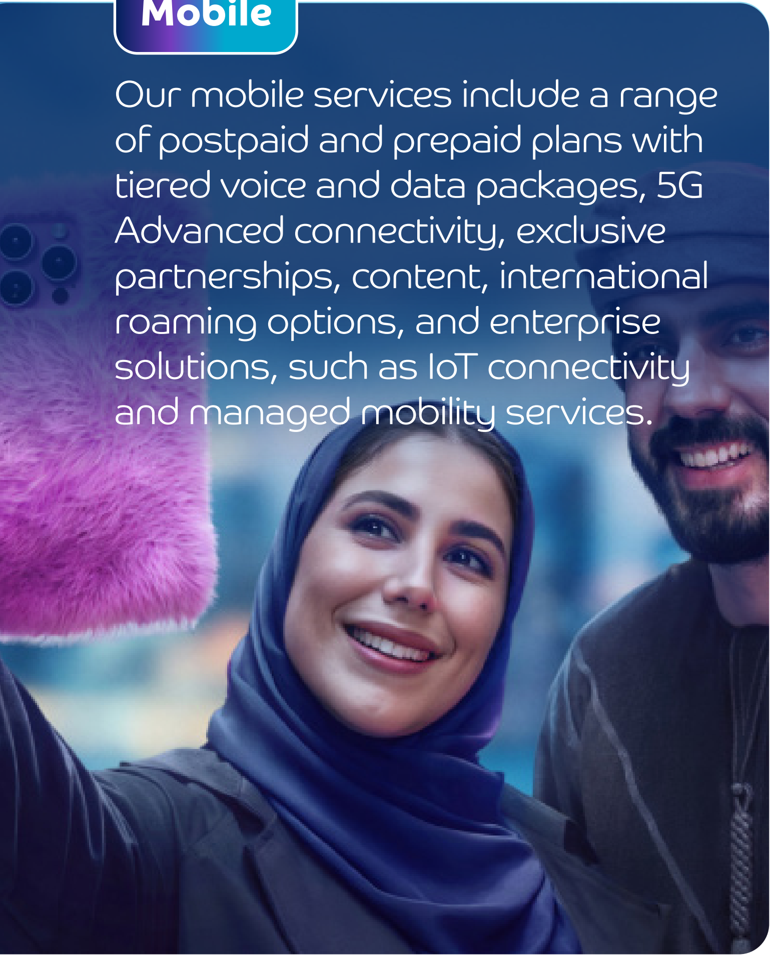
Our strong operational performance in 2024 was driven by the focused execution of our strategy and supported by a favourable environment in the UAE. We elevated connectivity and the delivery of personalised customer experiences through digitalisation, advanced analytics and AI. The growth in our subscriber base across Mobile and Fixed is a testimony to the strength of our consumer and enterprise proposition. We strengthened our offering beyond connectivity, paving the way for our transformation towards an integrated digital services enabler.

The launch of du Pay in April 2024 was a significant milestone, highlighting our strategy to diversify our revenues and support the UAE's transition to a cashless economy. Our digital enabler credentials were further bolstered by the launch in October of our two new operating sub-brands, du Tech and du Infra. With the existing sub-brand du Business, we have built a comprehensive offering demonstrating our commitment to shaping a digitally enabled future for all our customers.

"Today, we are more than just a connectivity provider. We are moving beyond our core to become an integrated digital services enabler. Our transformative portfolio of operating sub-brands – du Business, du Infra, and du Tech – represent our commitment to leading the digital transformation journey in the UAE. With our comprehensive service offering, our portfolio is designed to lead the way in a digitally woven future, from elevating connectivity and enhancing digital lifestyles to providing managed service excellence and empowering organisational evolution through ICT solutions."

Fahad Al Hassawi
CEO

Mobile



Our mobile services include a range of postpaid and prepaid plans with tiered voice and data packages, 5G Advanced connectivity, exclusive partnerships, content, international roaming options, and enterprise solutions, such as IoT connectivity and managed mobility services.

Our propositions

For consumers

Postpaid plans
Bundled voice, data, and SMS, with device financing options, specialised plans for Emirati families, data-only plans, special number plans and content streaming add-ons.

Prepaid plans
Customisable data packs and pay-as-you-go options, including Youth Box, Prepaid Flexi, and free eSIM plans.

Tourist plans
Free tourist eSIM and special rechargeable tourist bundles that can be pre-booked or available at airports and du stores.

International roaming
Region-specific data passes and travel add-ons for both postpaid and prepaid plans.

Virgin Mobile
A fully digital mobile brand offering innovative plans, shared data, roaming passes, and exclusive promotions.

For businesses

Business mobile plans
Tailored postpaid and prepaid plans to meet the specific needs of businesses.

Roaming bundles
Providing cost-effective business roaming options for employees travelling abroad.

Customised solutions
Services and sulotions tailored to support business operatoins and enhance productivity.

Operational review continued

Mobile

In 2024, our mobile segment demonstrated exceptional performance, with our mobile customer base growing by 4.2% year-over-year (y-o-y), reaching 8.9 million subscribers. This growth was particularly pronounced in our postpaid segment, which saw a significant 10.0% increase, reaching 1.8 million subscribers. This has been driven by our innovative solutions for enterprises and the success of our consumer offers, such as unlimited data plans and special roaming bundles. Our prepaid customer base grew by 2.9% to 7.1 million customers, reflecting our ability to maintain market share in this competitive segment.

Mobile service revenues grew by 7.3% y-o-y to AED 6,548 million, mainly driven by a higher share of postpaid revenues, sustained demand from the enterprise sector, and the success of our consumer offers. Our focus on high-value products and the effectiveness of our customer value management strategy contributed to an increase in mobile Average Revenue Per User (ARPU[1]), which reached AED 62.5 by the end of 2024.

5G innovation

Our continued investment in our 5G network delivered even wider coverage and densification, and with the introduction of 5G Advanced, exceptional network performance and innovative services. These developments enable us to explore new opportunities and services that can deliver genuine value to our customers and society at large. By the end of 2024, we had achieved over 70% of mobile traffic on our 5G network, solidifying our leadership in 5G deployment.

1 ARPU is monthly average revenues divided by average base, base definition: 90 days active customer

Attractive mobile offerings

We introduced several new products and services that resonated strongly with our customers in 2024. In the consumer segment, the continuation of our unlimited data Power Plans, postpaid plans tailored for UAE nationals and roaming bundles for the holiday season proved particularly successful in attracting new customers and encouraging existing users to upgrade their plans. These further complemented our tourist packages for inbound visitors to the UAE – such as the ALSAADA card, which includes discounts at key attractions. We also rolled out attractive customisable digital offers from our Virgin Mobile brand, which was particularly attractive to our digitally savvy customers. We launched our du Smart Car plan, a plug-and-play car WiFi device, designed to enhance our customers' driving experience with uninterrupted data and built-in car safety features, demonstrating our commitment to personalised services for our customers.

In the Enterprise segment, we introduced several postpaid plans dedicated to SMEs, such as the Business Starter, SME Infinite plans. We introduced Business Mobile Corporate Plans with revised benefits including Business roaming plans. We also extended the Fazaa plans to enterprises and introduced new plans for large enterprise customers.

> "Our mobile segment's performance in 2024 underscores our commitment to innovation and customer-centricity, offering personalised services to enhance our customers' satisfaction."

Digital transformation initiatives

In 2024, we achieved a significant step change in our digital transformation journey, marking a record year for digital adoption, engagement, and customer growth. At the heart of this transformation was the introduction of eCustomer, a fully digital experience that allows customers to onboard, engage, and transact seamlessly with us.

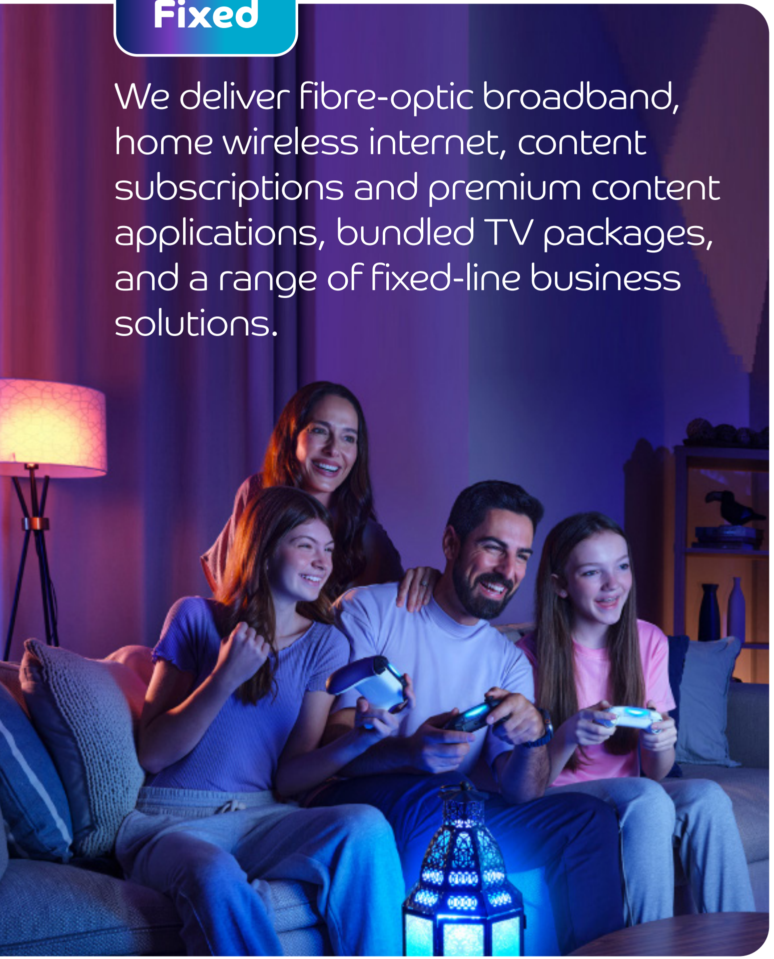
Our physical footprint also underwent significant digital transformation - redesigning the floor space to seamlessly integrate self-service kiosks. We have doubled down on our efforts and are witnessing a radical shift in how our customers interact in our stores – more than half of the interactions are self service reflecting our efforts at digitalising our channels, enhancing customer empowerment and improving experience.

Our digitalisation journey was powered by state-of-the-art IT infrastructure and next-generation customer management systems, all driven by AI-powered intelligence, personalisation, and best-in-class service delivery. By reimagining the customer experience with cutting-edge automation and data-driven insights, we have set new benchmarks in digital excellence, reinforcing our position as a leading, customer-first company in the UAE.

Operational review continued

Fixed

We deliver fibre-optic broadband, home wireless internet, content subscriptions and premium content applications, bundled TV packages, and a range of fixed-line business solutions.



Our propositions

For consumers

Home broadband and fibre solutions
In 2024, we launched our new fibre plans with super-fast speeds of up to 10gbps for hyper-home connectivity.

Home wireless
5G enabled wireless connectivity

IPTV
A wide range of television channels and on-demand content, delivering high-quality entertainment options.

Premium content bundles
Subscriptions to a wide selection of premium content applications, such as Disney+, Amazon Prime Video, Shahid, and many more.

Fixed voice service
Reliable, high-quality voice communications for residential customers.

For businesses

Business internet and fixed voice solutions
High-speed connectivity through fibre and 5G networks, enabling secure cloud integration and IoT deployments for enterprises.

5G office wireless
Ultra-fast 5G wireless broadband provided instant connectivity for SMEs without fibre access, prioritising affordability and consistent indoor coverage.

Smart networking solutions with SD-WAN capabilities
Software-defined WAN solutions allow enterprises to manage secure network connections and optimise application performance dynamically.

Fixed

Our fixed customer base saw a significant 12.8% year-over-year growth in 2024, reaching 682,000 subscribers by the end of 2024. With over 78,000 additions throughout the year, highlighting the strong appeal of our fixed services portfolio and our strategic goals of expanding our fixed network infrastructure and enhancing our service offerings to meet evolving customer needs. Fixed service revenues increased by 6.0% y-o-y, reaching AED 4,003 million in 2024. This growth was primarily attributed to the continued success of our Home Wireless product and enterprise broadband plans and the continuous expansion of our fixed network into new areas.

Home wireless success

We expanded our flagship Home Wireless offering, leveraging our leadership in 5G deployment to provide high-speed connectivity to more households. The Home Wireless offering continued to be a key driver of growth in our fixed segment. In 2024, we enhanced this product with new features and plans, including the launch of Home Wireless Gaming, which resonated strongly with our tech-savvy customers. The flexibility and high-speed connectivity offered by Home Wireless proved particularly appealing in areas where traditional fixed-line infrastructure was limited.

Fibre network expansion

Throughout 2024, we continued to invest in expanding our fibre network, focusing on both new and existing developments. We launched new fibre offerings with additional flexibility, improved content and introduced high-speed plans, of up to 10gbps for hyper home connectivity.

Enterprise solutions

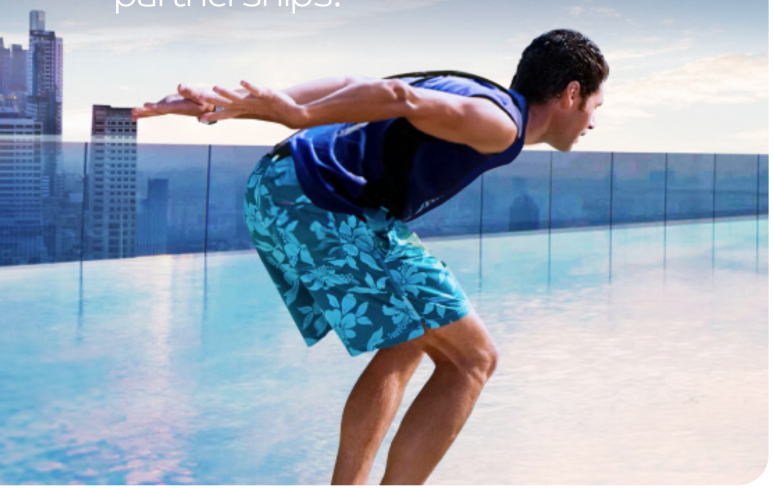
In the enterprise sector, our broadband solutions saw significant traction in 2024. We introduced tailored plans for businesses of various sizes, offering high-speed, reliable connectivity crucial for modern business operations. We also launched “Enterprise Plus” - an innovative connectivity suite to help accelerate digital transformation in the UAE, utilising Cisco technologies. Enterprise Plus offers high-speed internet connectivity, aimed to deliver some of the highest asymmetrical speeds available for the UAE business market.

> “Our fixed segment witnessed impressive 12.8% y-o-y subscriber growth, driven by the success of both our Home Wireless and Fibre offerings and strong performance in enterprise broadband services.”

We also launched our new Care Connect platform in 2024, which represents a significant shift in our approach to enterprise network management. Targeted at existing and new customers who rely on our managed connectivity services, the platform aims to transform network service transparency and facilitate seamless communication within organisations. The platform is engineered to continuously collect, categorise, and translate complex network data into actionable insights.

Wholesale

Our wholesale segment demonstrated robust growth in 2024 with wholesale revenues increasing by 3.5% to AED 1,831 million underpinned by a higher mobile subscriber base and supported by digital infrastructure investments and strategic partnerships.



Mobility services

Mobility services business witnessed a solid increase in revenues, driven by growth in both inbound roaming and messaging services. Inbound roaming grew in line with economic and tourism growth. The growth in messaging has been driven by increasing demand for A2P (Application-to-Person) messaging services, particularly from the fintech and e-commerce sectors. We further enhanced International Voice Quality by opening new direct routes with our international carrier partners.

Digital infrastructure investment

To support the growth of our wholesale segment, we made significant investments in our international network infrastructure, with the upgrading of our submarine cable capacities and enhancements to our terrestrial network connections. These investments improved our network resilience and allowed us to handle increased traffic capacity efficiently.

"Our wholesale segment demonstrated robust growth in 2024, with significant increases in voice and SMS services to national and international carriers underpinned by strategic partnerships and infrastructure investments."

Others

Our "Others" segment consists of a suite of core and non-core services, including fintech, ICT (data centre co-location, multi-cloud, cybersecurity, IOT, etc.), international roaming, equipment sales including handsets and accessories, and broadcasting services.

"This segment witnessed a significant 13.4% revenue growth to AED 2,254 million, driven by the strong increase in our ICT business and highlighting the successful diversification of our revenues beyond connectivity. The growth was also driven by higher roaming revenues due to increased tourist influx in the country and increasing handset sales owing to the successful launch of the iPhone16."

Others

du Pay

A major highlight of 2024 was the launch of du Pay, our digital financial services platform. This independent legal entity regulated by the Central Bank of the UAE, which offers financial services and products, marked our entry into the fintech sector. Its introduction in 1 April 2024 was a significant milestone in our diversification journey and supports UAE's transition towards a cashless economy. du Pay promotes financial inclusion with a simple and accessible platform. It allows users to send money to over 200 countries at competitive rates, with options for bank transfers, mobile wallets, or cash pick-ups. Within the UAE, money can be sent directly to any mobile number, and funds can be received through bank accounts or du Pay accounts. The app also enables instant mobile recharges and bill payments for various services. du Pay also provides digital and physical Visa cards allowing our customers to perform payments.

ICT

Data centre and cloud services

In 2024, we made substantial strides in our data centre and cloud services business. The expansion of our data centre facilities and the introduction of new multi-cloud solutions have positioned us as a key player in the UAE's digital infrastructure landscape.

Our partnership with AI Hosting Hub, the first NVIDIA supercluster in the GCC, and partnership with Oracle to launch Alloy underscores our capability and commitment to growing in the data centre and cloud sectors, enabling us to offer comprehensive solutions to organisations of all sizes. The data centre business continues to show strong potential, with partnerships driving growth in cloud and managed services. This aligns with the increasing demand for AI-driven solutions and hyperscaler cloud offerings.

Cybersecurity solutions

With the growth in AI and digital solutions, cybersecurity threats are not only increasing but are becoming more intelligent and target driven. We significantly enhanced our offerings in this area by introducing advanced threat detection and prevention services tailored for both enterprise and government sectors. Earlier in the year we announced a collaboration with Microsoft to integrate cutting-edge unified security products, managed services, and threat intelligence. This collaboration will revolutionise cybersecurity practices for our customers as well as internally, ensuring the highest level of protection for du's network and customer data.

Advanced technology

Our Industry 4.0 focus particularly around IoT services experienced significant growth in 2024, driven by logistics adoption, healthcare, and smart city projects. We launched a new IoT platforms that facilitates digital transformation across the UAE. Notable projects include a collaboration with Union Coop to deliver innovative energy management and smart cart solutions, showcased at GITEX 2024 under the theme "Global collaboration to forge the future AI economy". Additionally, the introduction of 5G standalone in 2024, which signals traffic sources through an independent, standalone 5G connectivity with lower latency helps us to accelerating our IoT capabilities.

Within the applications space we have strong potential for growth and are gaining momentum by converting opportunities in this domain.

Inbound roaming

Our international roaming services showed resilience and growth in 2024, supported by strong tourism activity in the UAE. We expanded our roaming partnerships and introduced innovative packages, to both business travellers and tourists.

Stakeholder engagement

We are committed to engaging with our key stakeholders – valued customers, suppliers, community, and shareholders – to foster shared values and achieve mutual goals.

Stakeholder group	How we engage	How often we engage	Key items discussed	Key actions implemented	How we create value for this stakeholder group
Our customers	We use various digital and assisted channels to gather customer feedback, provide support, and continually improve customer satisfaction.	Customer feedback is collected on a consistent and real-time basis.	We receive ongoing feedback on how and where we can improve, whether it be touchpoints, networks, customer experience, products or services.	Network and infrastructure investments, augmented digital experience, simplified channel processes and personnel training and knowledge building.	Being in constant touch with our customers about their experiences and expectations ensures that we are responsive to their feedback and needs.
Our employees	We engage with our employees through multiple channels, including Workplace®, HR Hub app, town halls, annual employee engagement surveys, periodic pulse checks and companywide reviews.	We operate a platform of ongoing engagement on a structured and predetermined frequency for employee-wide activities.	Engagement, career development, benefits rewards, company performance, collaboration, wellness, diversity and inclusion.	Onsite nutritionist and physiotherapist services, telemedicine for maternal support, comprehensive training programmes in collaboration with leading organisations, and a structured Salary Progression Policy.	Creating a happy, vibrant, engaging, inclusive work environment, learning and development opportunities, alongside highly competitive packages.
Our suppliers	We support and engage with our suppliers using a three-tier model based on their criticality to the business. Annual surveys gauge satisfaction and we have appointed an ESG rating agency to assess the ESG practices of our top 100 suppliers.	A commitment to ongoing, regular dialogues is exemplified in our monthly, quarterly and annual surveys.	Many services and solutions are discussed, including new and future technologies, industry practices, ongoing or planned projects, and sustainability and carbon footprint reduction programmes.	Developed the du sustainable procurement policy and strategy, emphasising the concept of fairness and transparency as a principle across the organisation. Workshop with suppliers to provide an overview of the procurement processes.	Working closely with our suppliers ensures stable and predictable supply, fosters long-term relationships, promotes transparency, and identifies issues at source, ensuring a smooth supplier experience.
Our community	We engage with community organisations, charities, and schools through frequent meetings and partnerships to understand and address their needs. Our focus areas include digital well-being, education, social impact, and environmental sustainability.	We maintain continuous engagement with stakeholders through regular meetings, strategic collaborations, and volunteer initiatives.	Discussions focus on digital well-being (cyber safety awareness), social empowerment (support for people of determination), employee volunteering, charity work and environmental sustainability initiatives.	Major initiatives in 2024 included expanding cyber safety workshops, raising AED 4.9 million for the UAE Mothers' Endowment Fund, partnering with UNHCR, enhancing employee volunteering, and promoting accessibility for people with determination.	We provide financial and in-kind support, amplify social impact through awareness campaigns and free-of-cost SMS campaigns, employee volunteering, and inclusive innovation to empower various community segments.
Our shareholders	We provide information and updates to shareholders through our website, Securities and Commodities Authority (SCA) and Dubai Financial Market (DFM) channels, and ongoing correspondence with shareholders.	We engage with our shareholders at least quarterly and meet institutional shareholders at conferences and on request.	Company performance, financial results, dividends, notices, and other shareholder-related matters in accordance with SCA and relevant regulatory requirements.	Compliance with all SCA and regulatory requirements. Attendance at various investor conferences in 2024, with institutional shareholders meeting our Management to discuss our company's performance and strategy.	We create long-term shareholder value through sustainable growth and profitability – delivered through strategic investments, diversification of our revenue streams and disciplined financial management.

Sustainability at the core of our vision

A commitment to sustainable growth and shared prosperity.

At du, our commitment to building a sustainable business has been a cornerstone of our vision since inception. This commitment, deeply embedded in our brand promise, is consistently reflected by our Board of Directors, CEO, and senior management.

Our 2024 Sustainability Report marks another milestone in our journey, offering a comprehensive overview of our achievements across the three pillars of our sustainability strategy and priority focus areas throughout the year.

You can view the full Sustainability Report at **du.ae/sustainability**

Sustainability at du

Our sustainability strategy is rooted in the belief that a truly sustainable and responsible business enhances lives at every touchpoint. We focus on three key pillars:

1. Make our people and communities happier
2. Operate ethically and responsibly
3. Deliver the benefits of our services to all

These pillars guide our efforts to create positive impacts across our operations, from ethical governance to environmental stewardship and community empowerment.

Alignment with SDGs
Our strategy aligns closely with several UN Sustainable Development Goals (SDGs), including SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals). We continuously assess the materiality of various sustainability topics to ensure we focus on areas that have a significant impact on our business and stakeholders.

Pillar 1

Make our people and communities happier:

We are dedicated to enriching the lives of our customers, employees and communities. Our initiatives focus on providing an exceptional work environment and creating a positive social impact.

Our priority areas

- Employee engagement and well-being
- Community well-being

Pillar 2

Operate ethically and responsibly:

Integrity and transparency form the cornerstone of our operations. We adhere to the highest ethical standards, ensuring accountability and fairness in all our dealings.

Our priority areas

- Environmental footprint
- Data privacy and security

Pillar 3

Deliver the benefits of our services to all:

We strive to ensure our state-of-the-art services and technologies are available to all, fostering digital inclusivity and empowerment.

Our priority areas

- Customer happiness
- Technology for good

Sustainability overview continued

Sustainability highlights

Pillar 1
Make our people and communities happier

Organisation of the Year for Youth Empowerment in GCC GOV HR and Youth Awards 2024

85

Employee engagement score placed among global top-tier companies

54%

of our Emirati workforce consisted of women

2,000+

employees and their families actively engaged in various wellness initiatives and events

Udemy Business MENA Excellence Award

Pillar 2
Operate ethically and responsibly

7.75% reduction in waste generated and 20,685 kg of food waste composted

3rd

in the Dubai National SME Suppliers category for supporting Dubai-based SMEs

ISO certification for Sustainable Procurement to reinforce global best practices

90

"Solar on Tower" (renewable energy) project sites

Awarded the Dubai Chamber of Commerce ESG Label (with a score of 91.48%)

Pillar 3
Deliver the benefits of our services to all

Launched du Pay for secure, inclusive digital financial services

100%

Achieved 100% digital invoices, eliminating paper waste

Reduced power consumption in Radio Access Network (RAN) using AI-driven optimisation

94%

Achieved 94% reduction in MNMI (Mobile Number Management Interface) retail visits

Partnered with Microsoft and AWS to accelerate AI and cloud

How we create value

01

Financial capital – Driving sustainable growth

- AED 14.64 billion in revenue and AED 2.49 billion in net profit, ensuring financial resilience.
- Economic value distributed (AED 7.33 billion) supporting national economic development.

AED 7.33bn

Operational expenses	53.11%	Payment to Government	5.76%
Royalty and tax	24.82%	Community investment / Social contribution	0.02%
Employee wages	16.29%		

- Strategic reinvestments in digital transformation, innovation, and network expansion to sustain long-term value.

02

Manufactured capital – Strengthening infrastructure and innovation

- Expanded 5G-Advanced Deployment
- Achieved high-performance 800G network speeds
- Increased adoption of self-service kiosks and AI-driven digital services.

03

Intellectual capital – Leading in digital transformation

- Enhanced financial inclusion through innovation.
- Expanded AI and cloud partnerships driving leadership in AI-powered solutions
- Strengthened cybersecurity leadership.

04

Human capital – Empowering people and talent development

- Accelerating digital and AI skills development through graduate training.
- Increased employee engagement, well-being and continuous learning.
- Fostering an innovative, collaborative, and inclusive workforce.

05

Social and relationship capital – Strengthening communities and partnerships

- Foster SME growth and entrepreneurship.
- Charity partnerships to support digital inclusion, cyber safety, and social impact.
- Strengthened supplier relationships through fair procurement practices.

06

Natural capital – Advancing sustainability & environmental responsibility

- Committed to Net Zero emissions by 2050.
- Enhanced energy efficiency across the network.
- Diverted increasing percentages of waste from landfill.

"We made significant strides in our sustainability journey, building on our commitment to the UAE's net zero ambitions."

Fahad Al Hassawi,
CEO

Underpinned by our core values

Dedication
We are committed to excellence and customer satisfaction in every aspect of our service

Curiosity
Innovation and continuous learning are at the heart of our growth

Agility
We swiftly adapt to changing market dynamics and customer needs

Openness
Transparency and inclusivity are key to our internal and external interactions

Materiality

In 2024, we conducted a review of our material topics, reaffirming the continued relevance of previously identified priorities.

The assessment process validated that the existing materiality matrix accurately reflected both business imperatives and stakeholder expectations. There has been no movement in the priority order of the material issues, and customer satisfaction, data privacy, and corporate governance remained at the forefront of material concerns while environmental and social considerations maintained their established positions of importance. Our full materiality matrix can be found in our **2023 Sustainability Report**

Our six most important issues are defined as:

Privacy and security of customer data
The safeguarding of personal and sensitive information. In the telecom sector, this includes protecting customer data from breaches, unauthorised access, and misuse while ensuring compliance with legal, regulatory and ethical standards.

Good corporate governance and business ethics
Adopting ethical business practices and ensuring transparency in operations. For telecom companies like du, this includes regulatory compliance, anti-corruption measures, and fair dealings.

Consumer satisfaction and happiness
The extent to which our telecom services meet or exceed customer expectations. This includes seamless connectivity, value-added services, and superior customer support, contributing to overall user satisfaction.

Marketing and advertising that is clear and not misleading
Ensuring transparent and ethical communication about our telecom products and services, avoiding misleading claims or practices.

Innovative products and technical services
The development and delivery of cutting-edge telecom solutions that enhance connectivity, efficiency, and user experience. This includes advancements in 5G technology, digital platforms, and smart infrastructure.

Financial performance that delivers shareholder value
Balancing sustainability goals with financial success, ensuring our operations remain profitable while meeting stakeholder and investor expectations.

Corporate Governance

The Board of Directors continued to focus on guiding and supervising the company in compliance with the international standards of corporate governance.

Corporate Governance Report of Emirates Integrated Telecommunications Company PJSC ("du" or the "Company") For the Financial Year Ended On 31 December 2024

1. Statement of procedures taken to complete the corporate governance system during the year 2024 and method of implementing thereof:

du continued its commitment to maximising stakeholders' value while ensuring compliance with the provisions of all applicable laws and regulations, including those prescribed by the Securities & Commodities Authority of the UAE (the "**SCA**") and the Dubai Financial Market (the "**DFM**"). This can be evidenced by du's corporate governance measures, which are based on the principles stated in the corporate governance as prescribed in the Chairman of SCA Board of Directors' Decision No. (3/Chairman) of 2020 and SCA Chairman's Resolution No. (02/R.M) of 2024 concerning approval of joint stock companies' governance guide (the "**SCA Corporate Governance Measures**").

Embracing the best practices of governance, du consistently delivered an outstanding performance in 2024 and continues to commit to being a leading integrated digital services enabler for UAE's digital transformation, shaping a more interconnected and digitally advanced world.

This Corporate Governance Report of du for the year ended on 31 December 2024 is prepared and presented by the Board to the Company's shareholders in accordance with the SCA Corporate Governance Measures:

Pillars of Corporate Governance

Accountability
To all shareholders and stakeholders, direction to the board of directors to develop strategy, perform supervision, and guide and control the administration of a Company.

Equity
By the protection of shareholder rights and ensuring fair treatment to all shareholders, including minority shareholders.

Transparency and disclosure
Through accurate and timely disclosures on all material matters.

Responsibility
To acknowledge the rights of all stakeholders pursuant to laws and regulations and encourage cooperation between a Company and its stakeholders.

The Board of Directors of du (the "**Board**") is formed in accordance with du's Articles of Association and applicable laws and regulations based on which the corporate governance manual of du dictates the procedures to be followed in connection with the overall governance of the Board. Each member of the Board strives to ensure at all times ethical and professional conduct in their behaviour as well as the performance of their duties and obligations, including strict compliance with the provisions related to the declaration of interest/ conflict, maintaining confidentiality and ensuring disclosure of related party transactions. During the year 2024, du appointed the directors (in accordance with Article No. 18 of the Company's Articles of Association) for the next 3-year term of the Board of Directors of the Company.

The Board of Directors continued to focus on guiding and supervising the company in compliance with the international standards of corporate governance.

The Annual Integrated Report of du for the year ended on 31 December 2023 was prepared and disclosed to the shareholders in accordance with SCA Corporate Governance Procedures. The Board invited the shareholders for the annual general meeting on 21 March 2024 (the "**AGM**"), which was duly conducted physically (in du HQ) and remotely in accordance with the directives

Corporate Governance continued

1. Statement of procedures taken to complete the corporate governance system during the year 2024 and method of implementing thereof: continued

provided by the SCA. The shareholders approved the payment of AED 0.34 per share as the total dividend amount for the year 2023. The shareholders approved the appointment of PricewaterhouseCoopers as the external auditors of the Company for the year 2024. The shareholders passed a special resolution for voluntary contributions for the community to comply with the UAE Commercial Companies Law (UAE Law No. 32 of 2021). The detailed results of the AGM, along with the relevant supporting documents, can be accessed at **https://www.du.ae/ar/about-us/investor-relations**.

The Board continued with the support of two permanent committees, the Audit Committee and the Nomination and Remuneration Committee and one non-permanent committee, the Investment Committee, which supports the Board for the Company's investment strategy in relation to its business. The Audit Committee continued to monitor risks and related matters as the members of the Audit Committee had sufficient level of knowledge to manage the risks related to the Company's activities. During the year 2024, the Board and committee meetings were held considering the relevant regulatory and strategic timelines. The agenda included several strategic, financial, operational, and governance matters that were extensively considered by the Board and/or its committees. All relevant information, details and documents were made available to the Board for effective decision-making in the best interests of du. Overall, the procedures of the Board and its various Committees were implemented in accordance with SCA Corporate Governance Procedures and were reviewed on a periodic basis.

The Board participated in several briefing sessions and workshops on the key market trends presented by leading consultants and management personnel from the telecom industry.

du has committed to contributing to the country's economic, social, and digital transformation by moving to digital-first technology and ensuring an outstanding customer experience. The Board consistently guided the management in achieving its vision of becoming a leading telecom and digital service provider. During the year, the Board reviewed and approved the various policies, procedures, and frameworks to improve the processes, define the responsibilities, and enhance the governance and controls for the long-term interest of the company stakeholders. The Board ensured that the ethical culture envisaged is reflected in the overall organisational behaviour.

The Board ensured the overall well-being of employees by continuously monitoring several corporate and human resources-related policies and procedures and encouraging several cultural activities during the year. Training programmes and e-learning platforms continued to develop the employees and update them on their duties and obligations under these policies and procedures, including the code of conduct and insider and share dealing policy.

The Board ensured a work environment in accordance with the highest international standards and complied with ethical policies and procedures. The Board continued its support of the Youth Council members' initiatives to empower youth to contribute to building the Company and the nation.

"The Board consistently guided the management in achieving its vision of becoming a leading telecom and digital service provider."

1. Statement of procedures taken to complete the corporate governance system during the year 2024 and method of implementing thereof: continued

The Board thanked the management and all employees for their steadfast dedication and for maintaining the upward momentum. The Board is looking forward to achieving further excellence in all arenas for the Company, contributing to UAE's digital development.

Leadership in action

The Board continued its support of the Youth Council members' initiatives to empower youth to contribute to building the Company and the nation.

The Board ensured the overall well-being of employees by continuously monitoring several corporate and human resources-related policies and procedures and encouraging several cultural activities during the year.

The Board participated in several briefing sessions and workshops during the annual Board retreat on the key market trends presented by leading consultants and management personnel from the telecom industry.

Corporate Governance continued

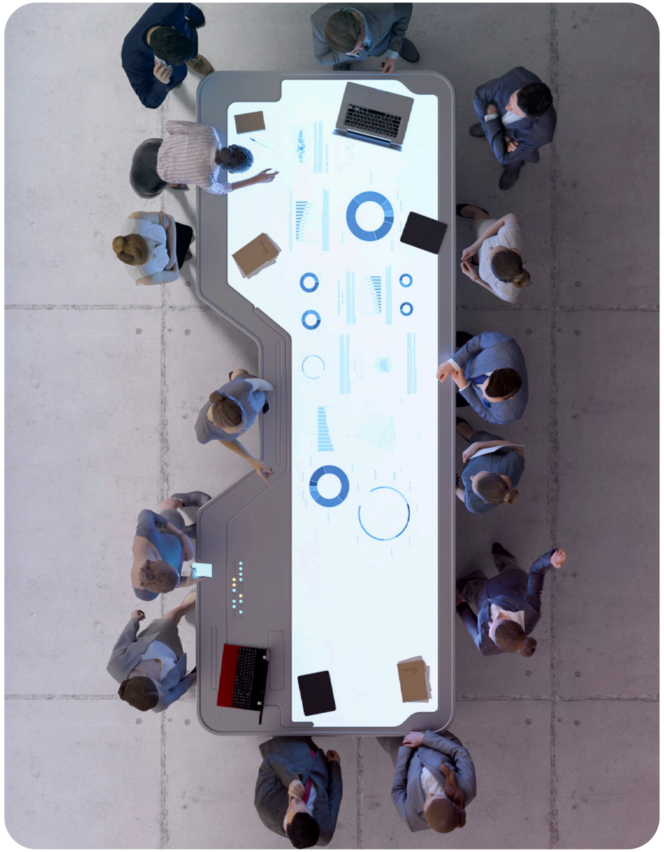
2. Statement of ownership and transactions of board members, their spouses and children in du's shares during 2024

The Board members are regularly updated regarding their duties and obligations regarding ownership/ trading in du shares.

du's insiders and share dealing policy requires the Board members to make necessary declarations and obtain relevant approvals in accordance with the applicable SCA regulations.

The table below contains details of du shares held by each Board member (including their spouse and children) as of 31 December 2024:

No.	Name	Position/Kinship	Total sales during 2024	Total purchases during 2024	Owned shares as of 31 December 2024
1.	Malek Sultan Al Malek	Board member	0	0	1,000,562
2.	Ahmad Abdulkarim Julfar	Board member	0	300,000	300,000
		Spouse	0	0	3,000
3.	Ziad Abdulla Galadari	Board member	0	0	119,350
		Spouse	0	0	94,000
4.	Abdulla Khalifa Belhoul	Board member	0	0	642
5.	Hassa Abdulrazzaq Balouma	Board member	0	0	562
6.	Bakheet Al Katheeri	Board member	0	0	11,369
7.	Khalifa Al Mheiri	Board member	0	0	562



3. Board of Directors

3.1 Board composition

The Board is composed of members who collectively have an appropriate balance of skills, knowledge, competencies, experience and expertise in several sectors, including telecommunications and technology.

The Board was reconstituted on 21 March 2024 following the end of the 6th term. At the AGM held on 21 March 2024, the shareholders ratified the appointment of the directors nominated by the founding shareholders and also elected two directors to represent the public shareholders. Following the reconstitution of the Board for the 7th term, the Board re-elected Mr Malek Al Malek as the Chairman and elected Mr Ahmad Abdulkarim Julfar as the Vice Chair of the Board of Directors. Mr Ahmad Abdulkarim Julfar was also reappointed as the Managing Director until the end of September 2024.

The new Board members were H.E. Abdulla Al Basti, Mr Khalifa Al Mheiri, Dr Bakheet Al Katheeri, and Mr Serkan Okandan. du extended thanks to the outgoing directors, H.E. Sara Musallam, Mr Mohamed Al Shehi, Mr Atish Gude and Mr Khaled Al Qubaisi for their contribution during their tenure as directors of du.

Experience and effectiveness

The Board as a collective demonstrates effectiveness in its ability to make key decisions to drive the business forward calling on its members' deep knowledge and experience within the following sectors:

- Banking and finance
- Economics
- Education and community development
- Energy and industrial
- Engineering
- Government and development
- Technology and innovation
- Infrastructure
- Investment and asset management
- Leadership
- Legal
- Risk management and organisational development
- Strategy
- Telecommunications and utilities

Corporate Governance continued

The Board is currently composed of ten (10) directors, out of which nine (9) directors are non-executive, one (1) executive until September 2024 and eight (8) directors are independent. Their details as of 31 December 2024 are as follows:

Mr Malek Sultan Al Malek
Chairman (effective 6 October 2021 and reappointed 21 March 2024)

Independent Non-Executive

First Appointment: 21 March 2018

Representing: Emirates Communications and Technologies Company LLC

Mr Malek Al Malek is one of the leading business figures in the UAE. He has reputable experience in various areas, including technology, information and education. He is currently the Chairman of TECOM Group and the Group CEO of Dubai Holding Asset Management, one of Dubai's leading holding companies, strategic partner, and contributor to achieving the ambitious visions of Dubai's economy. He is also the Director General of Dubai Development Authority.

Mr Malek Al Malek also holds the following positions in several leading entities in the UAE:

- Chairman of Dubai Institute of Design and Innovation (DIDI)
- Chairman of Centre of Excellence for Applied Research and Training (CERT) (HCT)
- Board Member of Mohammed Bin Rashid Library
- Board Member of Higher Colleges of Technology
- Board Member of Higher Committee for Future Technology and Digital Economy-Dubai
- Council Member of Dubai Freezone Council (DFZC)
- Council Member of Dubai Urban Planning 2040 Executive Council (Supreme Committee)
- Council Member of Dubai Media Council
- Board Member of Emirates Foundation

Mr Malek Al Malek holds a Bachelor's degree in Business Management from the UAE's Higher Colleges of Technology.

Mr Ahmad Abdulkarim Julfar
Vice Chairman (effective 21 March 2024)

Executive (until September 2024)

First Appointment: 21 March 2018

Representing: Emirates Investment Authority (from 25 March 2021)

Mr Ahmad Abdulkarim Julfar has vast experience in diverse sectors, including telecommunications, economy, banking, and community development. He has held several prominent leadership positions in the UAE. Previously, he held the position of Director General at the Community Development Authority, which is dedicated to creating a leading social sector in the UAE to reinforce sustainable development.

Mr Ahmad Julfar also holds the following positions in several other leading entities in the UAE:

- Chairman of Knowledge Fund, Government of Dubai
- Chairman of Commercial Bank of Dubai PJSC
- Advisory Council Member of Dubai Chamber of Digital Economy
- Vice Chairman of Union Coop
- Chairman of the Audit Committee of Dubai Holding

Mr Ahmad Julfar holds a Bachelor's degree in Civil Engineering and Computer Science from Gonzaga University in Washington, USA, and participated in Sheikh Mohammed Bin Rashid Al Maktoum's Leaders Program.

Corporate Governance continued

H.E. Abdulla Mohammed Ahmad Albasti Almarri

Board Member

Independent Non-Executive

First Appointment: 21 March 2024

Representing: Emirates Communications and Technologies Company LLC

H.E. Abdulla Albasti has been a pivotal figure in Dubai's governance landscape, serving as the Secretary General of The Executive Council since October 18, 2017. He is also a member of the Strategic Affairs Council within The Executive Council. In this position, he plays a vital role in supporting The Executive Council's vision and strategic decisions across diverse sectors. He oversees the development and implementation of public policies, contributing significantly to the Dubai Plan, which is in alignment with the broader vision of the UAE.

H.E. Abdulla Albasti also leads a number of key initiatives in the UAE and beyond. He serves as Chairman of the Dubai Government Excellence Program (DGEP) and Chairman of the Board of Trustees of the Mohammed bin Rashid Al Maktoum Humanitarian and Charity Establishment, and his involvements include his membership of the Mohammed bin Rashid Al Maktoum Global Initiatives.

With a vast career in the public sector, H.E. Abdulla Albasti serves as Executive Director of the Government Development Division in the Prime Minister's Office, Director General of the Executive Office of H.H. Sheikh Mohammed bin Rashid Al Maktoum, and Secretary General of the UAE Cabinet.

H.E. Abdulla Albasti holds a Master's degree in Total Quality Management from the University of Wollongong, Australia, and a Bachelor's degree in Information Systems Programming from the University of Dubai. He is also a graduate of the prestigious Sheikh Mohammed bin Rashid Leadership Development Programme, evidencing his commitment to leadership development.

H.E. Abdulla Albasti also holds the following positions in several leading organisations/ companies in the UAE:

- Secretary General of The Executive Council of Dubai
- Chairman of Dubai Government Excellence Program (DGEP)
- Chairman of the Board of Trustees of Mohammed bin Rashid Al Maktoum Humanitarian and Charity Establishment
- Member of Mohammed bin Rashid Al Maktoum Global Initiatives

Mr Abdulla Khalifa Belhoul

Board Member

Independent Non-Executive

First Appointment: 6 October 2021

Representing: Emirates Communications and Technologies Company LLC (until 21 March 2024), Emirates Investment Authority (effective 21 March 2024)

Abdulla is currently the CEO of TECOM Group PJSC. He leads the executive team responsible for the group's portfolio of 10 business districts focusing on strategic sectors, namely technology, media, education, manufacturing, science and design, in addition to a set of services and business solutions aimed at enhancing returns and growth of the targeted sectors and contributing to cementing Dubai's position as a global hub for business and talent.

Prior to that, he held the position of CEO of Dubai Industrial City in 2010, after which he assumed the responsibility of Chief Commercial Officer at TECOM Group. In 2020, his role expanded. He became Chief Commercial Officer of Dubai Holding Asset Management (DHAM), where he led the efforts to grow and develop the group's extensive portfolio of 10 business districts, 20 retail destinations, and 15 residential communities. He also oversaw the departments and teams responsible for customer service and experience, including digital transformation and smart services.

Between 2007 and 2010, he held several leadership positions at Dubai Holding, where he oversaw the construction of several major landmarks in the Emirate. Prior to that, he held various management positions at the Dubai World Trade Center and Dubai Civil Aviation Department between 2002 and 2007, contributing to creating additional business value by improving revenue and re-engineering value for internal and external stakeholders. Abdulla previously served on the Board of Directors of Emirates Central Cooling Systems Corporation (EMPOWER), the Board of Directors of Dubai Creek Harbor LLC, and the Board of Directors of Axiom Telecom.

He holds an MBA from Higher Colleges of Technology and a Bachelor's degree in Engineering Management. He has also completed several executive and board-level programmes, including the INSEAD Executive Development Program.

Corporate Governance continued

Mr Ziad Abdulla Galadari
Board Member
Non-Executive

First Appointment: 14 March 2007

Representing: Public Shareholders

Mr Ziad Abdulla Galadari is the Founder and Chairman of Galadari Advocates & Legal Consultants and has vast experience in the field of law and legal consultancy. In addition to his legal and investment expertise, he has made remarkable contributions to enabling Dubai to host international events and global conferences.

Mr Ziad Galadari is the Chairman of Galadari Investments Group and serves on the Board of the following leading entities in the UAE:

- Board Member of Dubai World Trade Centre
- Board Member of Dubai World Trade Centre Authority Free Zone
- Board Member of Dana Gas PJSC
- Chairman Higher Committee for Dubai's International Arabian Horse Championship
- Chairman of Jebel Ali Racecourse Council

Mr Ziad Galadari has a Bachelor's degree in Law (LLB) from the United Arab Emirates University (UAEU).

Ms Hassa Abdulrazzaq Balouma
Board Member
Independent Non-Executive

First Appointment: 25 March 2021

Representing: Emirates Investment Authority

Ms Hassa Balouma is the Executive Director for Strategic Assets at Emirates Investment Authority (EIA). Leading the value generation in EIA's portfolio companies and strategically held corporate investments. Driving strategic turnaround and pursuing long-term value strategies. In addition, she is responsible for strategically investing directly in strategic sectors in UAE and Regionally. Previously, she was the Chief Strategic Assets Officer – Strategic Assets. Expertise in setting up investment strategies, policies, and teams across various sectors. Held board positions across portfolios to drive shareholder value. Previously, Ms Balouma was in the private asset department at EIA, which is responsible for making indirect investments in various illiquid strategies like private equity.

She was the Project Leader for setting up the first currency printing facility in the Gulf region for EIA "Oumolat", which was successfully launched in 2016. She is also a member of the Board of Directors of Emirates Post Group (7X) and a member of the Advisory Board of a Secondary Private Equity fund. Previously served as Chairperson of the Board of Oumolat, as Vice Chair in the Board of Emirates Transport and as member of the Board of Directors of Arab Mining Company (ARMICO).

Ms Hassa holds a Master's degree MSc in Finance and Investments and a Bachelor's degree BA in Accounting and Finance from the University of Aberdeen in Scotland.

Ms Hassa Balouma also holds the following positions in several leading entities in the UAE:

- Member of the Board of Directors of (7X) Emirates Post Group
- Member of the Advisory Board of a Secondary Private Equity Fund

Corporate Governance continued

Dr Bakheet Al Katheeri
Board Member
Independent Non-Executive

First Appointment: 21 March 2024

Representing: Public Shareholders

Dr Bakheet Al Katheeri is the Chief Executive Officer of Mubadala's UAE Investments platform. The platform is Mubadala's national vehicle for contributing to the acceleration of the UAE's economic transformation by building national world-class champions, fostering vibrant industrial and commercial clusters, and partnering with world-class global entities. In this role, Dr Bakheet spearheads the platform's growth and strategic direction while steering its portfolio of national champions in multiple sectors, including energy, metals, aerospace, technology, healthcare, real estate, and infrastructure.

With an illustrious career spanning over two decades, Dr Bakheet's expertise in the energy and industrial sectors is widely recognised. In his previous tenure at Mubadala, Dr Bakheet held the position of Executive Director of the UAE Industries unit within the UAE Investments platform. In this capacity, he adeptly managed a portfolio of industrial companies specialising in both renewable and conventional energy, metals, and utilities.

Prior to this, Dr Bakheet demonstrated his acumen in the energy sector through various leadership roles at Mubadala Energy. As Chief Operating Officer and later CEO, he was instrumental in shaping the company's strategic direction while efficiently managing its operations and resources.

He also held the position of Chief Growth Officer, where he was entrusted with spearheading new business development and assets and overseeing mergers and acquisitions.

Before embarking on his career with Mubadala Energy, Dr Bakheet had a distinguished tenure at the Abu Dhabi National Oil Company (ADNOC). There, he was at the forefront of production and facilities engineering for five of ADNOC's operating companies, encompassing all offshore operations in Abu Dhabi.

Dr Bakheet holds a BSc degree in Petroleum Engineering and Applied Mathematics from the University of Tulsa (Oklahoma, USA) and an MSc in Environmental Science from UAE University. He also holds an Executive MBA from HCT, UAE and a Doctorate of Business Administration from the College of Business and Economics, UAE University.

He holds the following positions in leading entities in the UAE:

- Director of Emirates Global Aluminium (EGA)
- Director of Abu Dhabi Investment Council Company PJSC
- Director of Abu Dhabi Future Energy Company PJSC (Masdar)
- Director of National Central Cooling Company (Tabreed)
- Director of Mubadala Energy LLC
- Director of Dolphin Energy

Mr. Wesam Alabbas Lootah
Board Member
Independent Non-Executive

First Appointment: 15 April 2020

Representing: Emirates Investment Authority

Mr Wesam Alabbas Lootah is a digital transformation leader with more than 25 years of strategic leadership that drastically shaped Dubai into the Smart city it is today. He built his extensive leadership portfolio and experience through various executive roles in institutions affiliated with the Abu Dhabi & Dubai Government, the World Trade Center and Emaar.

Mr Wesam is currently leading – Gov Digital Abu Dhabi/ Department of Government Enablement, Prior to this role, Lootah served as the CEO of the Corporate Support Services Sector at Dubai Municipality since August 2022, following the restructuring of the organisation. Prior to this role, Mr Wesam served as the CEO of the Dubai Smart Government Establishment starting from December 2015, where he played a key role in shaping Dubai's digital landscape. With a career spanning over 25 years.

Mr Wesam is recognised as one of the most influential digital leaders in the region. He has held various executive leadership positions in both government institutions and prominent private sector entities such as Emaar and the Dubai World Trade Centre. His strategic vision and innovative approach have left a lasting impact on the organisations he has worked with.

Mr Wesam also holds the following positions in several leading entities in the UAE:

- Digital Government Advisor at Department of Government Enablement
- Chairman of Board of Directors at Union Coop
- Vice Chairman of the Board of Directors, NRC Chair and IC member of Dubai Financial Market PJSC
- Advisory council member of Dubai Chamber of Digital Economy
- Director and Owner of The Teal Hat Technologies
- Director and Sole Shareholder of WL Holdings Limited
- Vice Chairman of the Board of Directors of Dubai Clear LLC
- Board Member of Mada Media Company

Mr Wesam Lootah holds a Master's degree in Computer Science and Engineering from Pennsylvania State University, USA, and a Bachelor's degree from Ohio State University. He is also an author who has published research in Computer Security and a renowned speaker on smart cities and digital transformation at top events.

Corporate Governance continued

Mr. Khalifa Al Mheiri
Board Member
Independent Non-Executive

First Appointment: 21 March 2024

Representing: Emirates Investment Authority

Mr Khalifa Al Mheiri is the Executive Director of the Fixed Income Department, responsible for the overall management of the department, specifically in the areas of investment strategy, performance, risk, and organisational development.

Prior to that, Mr Al Mheiri was the Executive Director of the Alternative Investments Department, responsible for overseeing ADIA's investments in hedge funds. Mr Al Mheiri joined ADIA in 1995 as a member of the Far East Department. From 1997 to 2007, he operated out of ADIA's London Office, where his responsibilities included investment analysis, portfolio management and other managerial responsibilities. In 2008, Mr Al Mheiri was promoted to the position of Executive Director of the Information Technology Department. In 2011, he was appointed Executive Director of the Alternative Investments Department.

Mr Al Mheiri is a member of ADIA's Investment Committee and is also Chairman of the Board of Directors of ADIA (Hong Kong) Limited.

He holds a BSc in Business Administration, focusing on Management Information Systems, from the University of Arizona and a Masters in Finance from the London Business School. He is a CFA charter holder from the CFA Institute.

Mr Al Mheiri has been a Board Member of the Abu Dhabi Islamic Bank since April 2016. He also served as a Board Member of Ooredoo Group, LLC (Ooredoo), Qatar, from March 2015 to February 2018.

Mr Al Mheiri also holds the following positions in several leading entities:

- Chairman of the Board of Directors of ADIB – Egypt
- Board Member of Abu Dhabi Islamic Bank – UAE

Mr. Serkan Okandan
Board Member
Independent Non-Executive

First Appointment: 21 March 2024

Representing: Emirates Investment Authority

Mr Serkan Okandan has more than 30 years of experience as a Finance executive at international telecommunication groups (namely Turkcell, Etisalat / e&, and VEON), operating in various countries in Europe, Asia, the Middle East, and Africa. During his tenure at international telecommunication groups, he also held board positions at companies in the UAE, Saudi Arabia, Morocco, Ukraine, Russia, Pakistan, and Bangladesh.

Apart from board positions, Mr Serkan also held Chairmanships of the Audit Committee and independent board member positions at various publicly listed companies, such as Maroc Telecom (Morocco), Mobily (Saudi Arabia), and PTCL (Pakistan). Mr Serkan also worked as Acting CEO of Turkcell's subsidiary in Ukraine during 2010 and later at Mobily in Saudi Arabia from 2014 to 2015.

Before developing his career in the telecommunications sector, Mr Serkan worked at international companies such as PwC, DHL, and Pepsi.

Mr Serkan graduated from the Faculty of Economics and Administrative Sciences at Bosphorus University in Istanbul, Turkey, and currently resides in Amsterdam, Netherlands.

Mr Serkan also holds the following positions in several leading entities:

- Board & Audit Committee member of Pakistan Mobile Communications Ltd. ("Jazz")
- Board member of Banglalink Digital Communications Ltd. ("banglalink")
- Audit Committee Chairman of Unifonic FZE Dubai Branch ("Unifonic")

3. Board of Directors continued

3.2 Female representation on the Board

Currently, 10% of du's Board members are female.

3.3 Remuneration and allowances of the Board members

The Board remuneration framework for 2024, as approved in AGM 2024, has the following components:

A. Board annual fees:

Role	Board annual fees
Board Chairman	2,200,000
Board Vice Chairman	1,300,000
Board Member	950,000

B. Board Committees' annual fees:

Role	Investment Committees	Other Committees	Second Committees
Committee Chair	250,000	150,000	100,000
Committee member	200,000	120,000	80,000

- When there is more than one fee against different committees' chairmanship or membership, the higher amount will be considered.
- Business travel expenses, telephone, data, cable TV and other services are subject to du relevant policies and manuals.

1. Total remuneration paid to the Board for 2023

At the last annual general assembly held on 21 March 2024, the shareholders approved the policy for paying remuneration to the Board and accordingly also approved payment of AED 10,775,000 as the Board's remuneration for the fiscal year ended on 31 December 2023. This sum was distributed to all Board members as remuneration for services rendered by them in the year 2023.

2. Proposed total remuneration to be paid to the Board for 2024

On the basis of the proposed framework to be approved by the shareholders for the payment of remuneration to the Board, the aggregate Board remuneration submitted for approval by the shareholders at the General Assembly in 2025 is AED 12,690,000. This amount will be distributed to the members of the Board as remuneration for the year 2024.

3.4 Additional allowances, salaries or fees received by the Board members other than the allowances for attending the committees

In 2024, Mr Ahmad Abdulkarim Julfar was paid an additional compensation of AED 90,000 per month in consideration of the extra time and attention he devoted to his role as the Managing Director of du (in accordance with the remuneration approved by the Board).

His tenure as the Managing Director ended in September 2024.

Additionally, Mr Atish Shashinath Gude (a non-UAE national), who served as a Board member until March 2024, received USD 26,829 in 2024 as reimbursement for the travel and hotel accommodation costs for attending Board and Committee meetings in accordance with the Board Travel Policy approved by the shareholders. Additionally, Mr Serkan Okandan (a non-UAE national), who was appointed in March 2024, received Euro 41,727 and USD 14,500 in 2024 as reimbursement for the travel and hotel accommodation costs for attending Board and Committee meetings in accordance with the Board Travel Policy approved by the shareholders.

3.5 Board meetings held in the year 2024

During the year 2024, seven (7) Board meetings of du were held.

The Board meetings are strictly conducted in accordance with SCA's regulations, du's Articles of Association and the corporate governance procedures approved by the Board. The Board members were provided the option to attend the meetings electronically.

Corporate Governance continued

3. Board of Directors continued

3.5 Board meetings held in the year 2024 continued

Several matters were considered extensively by the Board in 2024 including strategy and AI, operations, governance, board evaluation, compliance, human resources management, subsidiary governance, succession planning, risk management, internal controls and digital shift momentum.

The invitation and the agenda are sent to the members at least a week ahead of the meeting date, and details of issues and decisions made during the meeting are recorded as minutes, taking into account any member's opinions or dissenting views that are expressed during the meeting. Any related party transactions or conflicts of interest are declared at the beginning of each meeting, recorded in the minutes of the meeting and approved by the members present, thus ensuring that the respective member connected to that resolution abstains from voting.

No.	Date of the Board meeting	Number of attendees	Attendance by proxy	Absentees
1.	13 February 2024	8	None	H.E. Sara Musallam and Ziad Galadari
2.	21 March 2024	10	None	None
3.	29 April 2024	10	None	None
4.	27 June 2024*	10	None	None
5.	22 July 2024	10	None	None
6.	28 October 2024	10	None	None
7.	5 December 2024*	10	None	None

* Board meetings held to consider ongoing operational matters

3.6 Number of the Board resolutions passed during 2024, along with the dates of passing these resolutions:

In accordance with the applicable provisions from SCA Corporate Governance Procedures, the Board circulated seven (7) resolutions (mostly to cope with the urgency of certain matters), which were recorded in the minutes of the subsequent meeting of the Board.

No.	Date
Board Resolution No. 1/2024 passed by circulation	1 May 2024
Board Resolution No. 2/2024 passed by circulation	17 July 2024
Board Resolution No. 3/2024 passed by circulation	17 July 2024
Board Resolution No. 4/2024 passed by circulation	29 August 2024
Board Resolution No. 5/2024 passed by circulation	4 September 2024
Board Resolution No. 6/2024 passed by circulation	19 September 2024
Board Resolution No. 7/2024 passed by circulation	27 September 2024

Corporate Governance continued

4. Board committees

4.1 Audit Committee

4.1.1 H.E. Abdulla Al Basti, Chair of the Audit Committee, acknowledges his responsibility for the Audit Committee's system in the Company, for reviewing its work mechanism, and for ensuring its effectiveness.

4.1.2 The Audit Committee is a permanent committee formed by the Board to monitor the Company's financial position, review and recommend changes to its financial and control systems, maintain appropriate relationships with its external auditors, and perform other functions as required by SCA Corporate Governance Procedures.

4.1.3 The Board reviews the composition of the Audit Committee on a regular basis to ensure that the Audit Committee is composed of members with adequate knowledge and expertise in financial, accounting, legal, compliance, and regulatory matters. The composition of the Audit Committee changed in 2024. The current members of the Audit Committee are:

- H.E. Abdulla Al Basti (Chair)
- Mr Abdulla Belhoul
- Mr Khalifa Al Mheiri
- Mr Serkan Okandan

4.1.4 The Audit Committee is provided with sufficient resources to enable it to perform its duties and is assigned to perform the following:

- review and make recommendations on the Company's overall corporate governance arrangements;
- recommend the selection and appointment of external auditors, including review of terms of engagement, mission and action plan and the scope of the external audit plan;
- monitor the performance, independence and objectivity of the external auditor, including discussing with the external auditor regarding the nature, scope and efficiency of the audit in accordance with the applicable accounting standards;
- ensure the integrity of financial and non-financial operations in line with financial and accounting policies and procedures, as well as monitor the integrity of the annual and interim financial statements of du;
- consider any significant and unusual matters that are or shall be mentioned in auditors' reports and accounts, and give due consideration to any issues raised by the management, including ensuring timely response of the Board to inquiries for illustration and substantial matters;
- develop and review of the policies/ procedures, including financial, accounting and risk and compliance;
- review and assess the internal control and risk management systems in the Company, including the external auditor's assessment of the internal control system and procedures;
- review the observations/ reports received from State Audit (including the response prepared by the management) and monitor the actions taken by the management to resolve issues/ observations arising from these reports;
- monitor the overall effectiveness of the Internal Audit department, including ensuring the availability of resources required, reviewing internal control reports and reviewing and approving the internal audit plan, budget and internal audit charter;
- monitor overall effectiveness of the Risk and Compliance functions by reviewing risk appetite, maintaining a sound risk and compliance management culture, reviewing and approving the management risk and compliance committee charter, reviewing the quality of risk mitigation and implementation of effective controls within the Company;
- review the changes made since the last review on the nature and extent of the key risks and du's ability to adapt to the changes in its operations and external environment;
- implement procedures that are sufficient for conducting independent and fair investigations concerning violations/ issues related to whistle-blowing and fraud;

4. Board committees continued

4.1 Audit Committee continued

4.1.4 continued

- set rules that enable the Company's employees to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations;
- review related party transactions with the Company, ensuring that no conflicts of interest exist, and submit recommendations on such transactions to the Board before concluding the relevant contracts;
- review and recommend changes to the Corporate Governance Manual (including terms of reference for the Board and its committees) and the Company's code of conduct;
- monitor the tasks performed by the Insiders Committee; and
- ensure the Company's compliance with all applicable laws and regulations.

4.1.5 The Audit Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for Board approval. The Audit Committee reviews its terms of reference on an annual basis and submits its recommendations to the Board.

4.1.6 During the year 2024, eight (8) meetings of the Audit Committee were held, as mentioned below, at which all the members were present:

Meeting number	Date of meeting	Main purpose of the meeting	Absentees
Audit Committee Meeting No. 1/ 2024	8 January 2024	Review of subsidiary governance framework and internal audit matters	None
Audit Committee Meeting No. 2/ 2024	13 February 2024	Review of annual financials for the year 2023, audit, internal control, governance, risk and compliance-related matters	Ziad Galadari
Audit Committee Meeting No. 3/ 2024	19 March 2024	Review of policies, internal control, risk and compliance-related matters	None
Audit Committee Meeting No. 4/ 2024	25 April 2024	Review Q1 2024, subsidiary financials and other related matters	None
Audit Committee Meeting No. 5/ 2024	22 July 2024	Review H1 2024 financials, audit, internal control, risk management, and governance-related matters	None
Audit Committee Meeting No. 6/ 2024	11 September 2024	Review of internal control, risk management, governance-related matters and insiders committee report	None
Audit Committee Meeting No. 7/ 2024	28 October 2024	Review Q3 2024 financials, audit, and related matters	None
Audit Committee Meeting No. 8/ 2024	27 November 2024	Review of subsidiary governance, risk, compliance and governance-related matters	None

4. Board committees continued

4.1 Audit Committee continued

Report of the Audit Committee

SCA Amendments for 2024 Corporate Governance Report

1. Significant matters considered affecting the financial statement

Over the past year, the Audit Committee (AC) has played a pivotal role in upholding transparency, ensuring compliance, and maintaining the integrity of the financial statements. Based on the detailed work undertaken by management and the external auditors, the AC identified and addressed significant areas of focus, including:

A. Revenue recognition

The AC carefully evaluated the Company's revenue recognition practices due to the inherent risks in telecommunication sector, given that complex IT systems process large volumes of data involving various products, services, and prices. The AC relied on management's explanations and the thorough work conducted by external auditors to ensure full compliance with accounting standards.

B. Federal royalty

On 3 November 2023, the Ministry of Finance issued guidelines pertaining to Cabinet Decision No. (8/38), outlining the minimum amounts payable for federal royalty and corporate tax.

The AC reviewed these guidelines and their interpretation to ensure compliance with the new regulations. The AC also placed reliance on management's explanations and the assessments conducted by external auditors to confirm the accuracy of federal royalty calculations and their proper inclusion with corporate tax in the financial statements.

C. Corporate tax

Following the enactment of the Taxation of Corporations and Businesses Law in 2023, the Group became subject to corporate income tax effective 1 January 2024. The AC worked diligently to ensure that the implications of both current and deferred taxes were comprehensively analysed, accurately reflected, and appropriately disclosed in the financial statements, maintaining alignment with applicable regulatory requirements and accounting standards.

D. Other regulatory compliance

The AC continuously reviews and strengthens its compliance measures to ensure adherence to regulatory requirements, with a focus on identifying, addressing, and rectifying any violations in a timely manner.

> **"Over the past year, the Audit Committee has played a pivotal role in upholding transparency, ensuring compliance, and maintaining the integrity of the financial statements."**

2. Independence and effectiveness of external auditors

The independence and effectiveness of the external audit process are fundamental to maintaining the accuracy, transparency, and integrity of the Group's financial reporting. The AC remains committed to ensuring that the external auditor operates in full compliance with applicable regulations, ethical standards and delivers a high level of assurance.

The AC conducts an annual assessment of the external auditor's performance. This evaluation encompasses both qualitative and quantitative criteria, focusing on compliance with SCA regulations and the International Code of Ethics for Professional Accountants ("IESBA Code"), with the external auditor confirming their independence and adherence to IESBA Code.

4. Board committees continued

4.1 Audit Committee continued

Report of the Audit Committee continued

SCA Amendments for 2024 Corporate Governance Report continued

3. Recommendation of external auditors

Further, the AC follows a thorough and transparent process to appoint or reappoint the external auditor. This process includes a comprehensive evaluation of the auditor's professional qualifications, industry expertise, audit methodologies, data security measures, and independence. After the AC's evaluation, a recommendation is submitted to du's Board, which endorses the appointment for approval by the General Assembly.

For the financial year 2024, PricewaterhouseCoopers Limited Partnership (PwC), Dubai Branch has been reappointed as the Company's external auditor, marking the third consecutive term of their engagement.

The AC recommended the reappointment of PwC as the Company's external auditor for the 2024 financial year, following a thorough evaluation of their performance, independence, and expertise. The AC's assessment highlighted the auditor's consistent quality of service, adherence to professional standards, and industry experience.

Following a thorough review of the AC's recommendation, du's Board endorsed the reappointment of PwC.

This decision reflects du's Board confidence in the auditor's ability to uphold robust audit standards and support the Company's commitment to effective governance and financial reporting practices.

4. Ensuring auditor independence during the term of engagement if non-audit services are provided

As part of its oversight responsibilities, the AC implements and monitors measures to ensure the independence and objectivity of the external auditor, particularly when non-audit services are provided.

The AC assessment of auditor independence will rely on the provision of SCA, IESBA and a confirmation from the audit firm affirming compliance with SCA and IESBA standards along with management's recommendation based on an internal analysis.

Key measures undertaken include the pre-approval of all non-audit services by the AC, transparent disclosure of non-audit services and related fees in the Company's annual report.

By enforcing these measures, the Company can ensure that the external auditor remains objective, independent, and committed to upholding the highest standards of professional integrity, even when providing services beyond the statutory audit.

5. Addressing control deficiencies in internal control or risk management

The AC, as a delegate of the Board, takes a proactive and structured approach to addressing shortcomings or errors in internal control and risk management systems. Recognising that the ultimate responsibility for both second and third line functions (as per IIA's "Three Lines Model") lies with the Board, the AC plays a critical role in ensuring effective oversight and management, by taking the following approach:

A. Enhanced monitoring and reporting:

The AC reviews detailed reports from both second and third line functions.

> **"As part of its oversight responsibilities, the AC implements and monitors measures to ensure the independence and objectivity of the external auditor, particularly when non-audit services are provided."**

4. Board committees continued

4.1 Audit Committee continued

Report of the Audit Committee continued

SCA Amendments for 2024 Corporate Governance Report continued

5. Addressing control deficiencies in internal control or risk management continued

These updates include critical and up-to-date information, enabling the AC to stay responsive for effective decision making. Further, the AC strengthens monitoring mechanisms, requiring detailed reports and updates on progress in addressing the identified issues.

B. Collaboration with management:
The AC works closely with Executive Management to formulate and implement corrective actions. This includes providing clear guidance on addressing control weaknesses and ensuring internal alignment to reach business objectives. The AC may also coordinate with the CEO, Chief Officers/Project Sponsors, Internal Audit Department, and other Assurance Providers, as appropriate, to review effectiveness of the controls for the identified shortcomings.

C. Ensuring timely mitigation:
The AC actively ensures that significant deficiencies are immediately addressed and that appropriate measures are taken to mitigate them. This includes regular follow-ups and updates from Executive Management on the status of corrective actions and treatment plans.

D. Policies and framework updates:
The AC reviews and, if necessary, updates the Company's policies and frameworks to strengthen the controls and to prevent recurrence of shortcoming or errors. This involves recommending updates or enhancements to align with evolving business and regulatory requirements.

By taking these actions, the AC ensures that deficiencies are effectively addressed, safeguards are strengthened, and Company's overall resilience is enhanced. This approach underscores the AC's commitment to upholding robust governance and fostering a culture of accountability.

6. Reviewing of significant internal audit findings

The AC is committed to conducting a detailed review and discussion of the reports issued by the Internal Audit Department, with specific focus on high risk observations. This commitment to robust oversight is reflected in the following practices:

"The AC works closely with Executive Management to formulate and implement corrective actions. This includes providing clear guidance on addressing control weaknesses and ensuring internal alignment to reach business objectives."

A. Audit plan comprehensiveness
The AC reviews and approves the audit plans to ensure they are aligned with the Company's key risk areas and strategic objectives. This approval process ensures that the internal audit function is focused on the most critical areas, providing assurance on the effectiveness of internal controls and risk management processes. Additionally, the AC monitors the progress of the audit plan's execution, ensuring that audits are conducted efficiently and any significant findings are promptly addressed.

4. Board committees continued

Report of the Audit Committee continued

SCA Amendments for 2024 Corporate Governance Report continued

6. Reviewing of significant internal audit findings continued

B. Key findings review

The AC ensures the review and discussion of key audit findings with the Chief Audit Executive (CAE) during the year. Furthermore, the AC requests management to ensure the timely implementation of these findings, aiming to effectively mitigate any identified risks and strengthen the Company's internal control framework.

C. Action plans status and closure

The AC plays a critical role in overseeing the follow-up of action plans resulting from audit findings. The AC monitors the status of these action plans, with a particular focus on overdue items, and works closely with management to ensure that any delays are addressed. Regular updates and reviews by the AC help ensure the closure of outstanding action plans, reinforcing accountability within the Company.

D. Process enhancements to address operational requirements

The AC plays a significant role in approving process enhancements to streamline the operations of the Internal Audit Department. These enhancements are designed to improve efficiency and effectiveness while ensuring alignment with the Company's directives and strategic projects. By approving these enhancements, the AC ensures that the internal audit function remains agile, capable of adapting to changing business needs, and able to provide valuable insights that support the Company's broader goals and risk management objectives.

7. Corrective treatment plan in the event of fundamental deficiencies in the areas of risk management and internal control systems

The AC endeavours to take a cautious and structured approach to address any material deficiencies in the areas of risk management and internal control systems, through:

A. Enhanced oversight and monitoring:

Upon identifying significant deficiencies, the AC directs Executive Management to implement immediate corrective actions, as well as to strengthen the existing controls. Progress is monitored and reported regularly, which ensures timely resolution and effective follow-through of the treatment plan.

B. Oversight of assurance providers:

The AC plays a pivotal role in supervising both second and third line functions. It ensures that reports from these functions are comprehensive, enabling better decision making. Further, the AC periodically requests the second and third lines of defense to perform additional checks, assessments, or reviews to verify that management's feedback and actions are accurate and sufficient.

C. Accountability and leadership engagement:

The AC actively collaborates with Executive Management to review and address any delays in the resolution timelines. While understanding the complexity of certain corrective measures, the AC emphasizes the need for prompt actions. This focused follow-up process, leads to efficient governance, enabling decision making.

D. In-depth discussions on critical observations and risks:

Critical observations, risks and non-compliances, and other significant matters are reviewed thoroughly during regular AC meetings. These discussions strengthen oversight, enhance risk awareness and establish improved controls throughout the Company.

This aforementioned plan underscores the AC's commitment to maintaining proper internal controls, robust oversight, ensuring accountability, and fostering continuous improvement. By adopting these measures, the AC safeguards Company's integrity, resilience, and long-term success.

8. Review of related party transactions

As part of its commitment to strong corporate governance, the Board of Directors has directly reviewed and monitored all related parties transactions. Note 15 of the Financial Statements provides further details on the related party transaction review process.

4. Board committees continued

4.2 Nomination and Remuneration Committee

4.2.1 Mr Abdulla Belhoul, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the Nomination and Remuneration Committee's system in the Company, the review of its work mechanism, and the assurance of its effectiveness.

4.2.2 The Nomination and Remuneration Committee is a permanent committee formed by du's Board to set and review policies related to appointment, remuneration, benefits, incentives, bonuses and remuneration of the Board members and the employees of the Company in accordance with the applicable laws and regulations.

4.2.3 The Board reviews the composition of the Nomination and Remuneration Committee on a periodic basis. There was no change in the composition of the Nomination and Remuneration Committee during 2024. The current members of the Nomination and Remuneration Committee are:

- Mr Abdulla Belhoul (Chair)
- Ms Hassa Balouma
- Mr Ziad Galadari
- Dr Bakheet Al Katheeri

4.2.4 The Nomination and Remuneration Committee is assigned to perform the following:

- regularly review and make recommendations to the Board on the structure, size and composition (including the skills, knowledge and experience) required for the Board members compared to its current position and ensure following of the procedures of nomination for Board membership in accordance with applicable laws and regulations;
- determine and agree with the Board on the framework or broad policy for the remuneration of the Board members and other employees of the Company and review the ongoing appropriateness and relevance of the remuneration framework in light of market and economic conditions;
- constantly verify the independence of the independent members throughout their term;
- oversee the succession plans for the senior leaders and other critical roles, identify the Company's needs for these positions, and determine their selection criteria;
- review and make recommendations to the Board on the other business interests or positions held by the Board or the Senior Leaders;
- develop and review annually the Company's human resources and training policies and monitor the implementation of such policies; and
- Emiratisation matters.

4.2.5 The Nomination and Remuneration Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for their approval. The Committee also reviews its terms of reference on an annual basis and submits its recommendations to the Board.

4.2.6 During the year 2024, seven (7) meetings of the Nomination and Remuneration Committee were held as mentioned below at which all the members were present:

Meeting number	Date of meeting	Absentees
Meeting No. 1/ 2024	5 February 2024	None
Meeting No. 2/ 2024	12 February 2024	None
Meeting No. 3/ 2024	6 March 2024	Abdulla Belhoul
Meeting No. 4/ 2024	6 May 2024	Dr Bakheet Al Katheeri
Meeting No. 5/ 2024	10 July 2024	None
Meeting No. 6/ 2024	15 October 2024	None
Meeting No. 7/ 2024	4 December 2024	Dr Bakheet Al Katheeri

4. Board committees continued

4.3 Investment Committee

4.3.1 Mr Ahmad Abdulkarim Julfar, Chairman of the Investment Committee, acknowledges his responsibility for the Investment Committee's system in the Company, for reviewing its work mechanism, and for ensuring its effectiveness.

4.3.2 The Investment Committee reviews and recommends to the Board the Company's investment strategy in relation to its core and non-core business, including:

- Evaluation of investment projects and related capital and operational expenditure.
- Large-scale capital investments and operational expenditure.
- du's business plan and budget.
- Strategic plans and transactions, including equity investments.
- Treasury and dividend policies.
- du's capital structure.

4.3.3 The Board reviews the composition of the Investment Committee on a periodic basis. There was no change in the composition of the Investment Committee during 2024. The current members of the Investment Committee are:

- Ahmad Abdulkarim Julfar (Chair)
- Malek Sultan Al Malek
- Wesam Alabbas Lootah
- Serkan Okandan

4.3.4 The Investment Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for their approval. The Investment Committee reviews its terms of reference on an annual basis and submits its recommendations to the Board.

4.3.5 During the year 2024, twelve (12) meetings of the Investment Committee were held, the details of which are mentioned below at which all the members were present:

Investment Committee Meeting number and date	Absentees
Meeting 1 – 18 January 2024	None
Meeting 2 – 5 February 2024	None
Meeting 3 – 18 March 2024	None
Meeting 4 – 23 April 2024	None
Meeting 5 – 8 May 2024	None
Meeting 6 – 4 June 2024	None
Meeting 7 – 16 July 2024	None
Meeting 8 – 12 September 2024	None
Meeting 9 – 10 October 2024	None
Meeting 10 – 26 November 2024	None
Meeting 11 – 29 November 2024	None
Meeting 12 – 4 December 2024	None

4. Board committees continued

4.4. Insiders Committee

4.4.1 Mr Ali Al Ali, Chair of the Insiders Committee, acknowledges his responsibility for the Insiders Committee's system in the Company, for reviewing its work mechanism, and for ensuring its effectiveness.

4.4.2 The Insiders Committee, constituted by the Board in 2017, monitors issues relating to insiders and their dealings in du's shares. It ensures that all insiders are familiar with the legal and administrative requirements regarding their holdings and dealings in du shares.

4.4.3 The Board approves the Insiders Committee's composition and contains representatives from Finance, Human Resources and Legal departments. The Company Secretary chairs the Committee. The current members of the Insiders Committee are:

- Ali Al Ali (Company Secretary)
- Moodhi Almandiry (Human Resources)
- Hiam Almohtadi (Legal)
- Feras Albastaki (Finance)

4.4.4 The Insiders Committee is assigned to perform the following:

- manage implementation of policies and procedures that relate to the trading in du's shares and the possession of internal data/information of the Company by its insiders;
- maintain an up-to-date register of insiders, including both permanent and temporary insiders;
- submit periodic statements and reports to the DFM;
- manage share dealing requests and declarations;
- initiate disciplinary action against non-compliant employees, with support from Human Resources; and
- report to the Audit Committee on the work done by the Insiders Committee.

4.4.5 The key activities undertaken by the Insiders Committee in the year 2024 were:

- review and update the list of insiders and submission to the DFM on a quarterly basis and as and when required (in accordance with the applicable regulations);
- notification of employees and Board members before commencement and after completion of every closed period, reminding them about the prohibition of trading in closed periods;
- promotion of employee awareness (via E-learning platforms) of their obligations in relation to insiders and share dealing;
- respond to the queries received from employees generally in relation to insiders and share dealing; and
- compliance with the provisions of the applicable laws and regulations.

4. Board committees continued

4.4. Insiders Committee continued

4.4.6 The Insiders Committee met four (4) times during the year 2024 as follows:

Meeting number	Date of meeting
Insiders Committee Meeting No. 1/ 2024	31 January 2024
Insiders Committee Meeting No. 2/ 2024	11 June 2024
Insiders Committee Meeting No. 3/ 2024	17 July 2024
Insiders Committee Meeting No. 4/ 2024	19 November 2024

4.5 Delegation of authority by the Board during the year 2024

Pursuant to the authorities delegated to the Board in the Articles of Association of du and the governing regulations, the Board is responsible for carrying out its duties but may delegate them to one of its committees or the management in writing. In the case of delegation, they have clear instructions on how the delegation can be authorised and the relevant limitations. The Board agreed on matters reserved for the Board and its Committees within the Governance Manual. During the year 2024, the Board did not delegate any of its reserved matters to the management.

a. Transactions with Related Parties

The Board of Directors have reviewed and monitored all related party transactions. Note 15 of the Financial Statements provides further details on the related party transactions.

The Board periodically reviews du’s related party transaction policy to ensure compliance with the applicable laws and regulations.

5. Board evaluation

The Board considered the recommendations received from the external consultant Nasdaq Corporate Solutions on the Board evaluation exercise, which was consistently performed to enhance the effectiveness of the Board and its committees.

6. Organisational structure

The organisational structure of du as at 31 December 2024 is as follows:

6. Organisational structure continued

Executive management team

The executive management team is responsible for strategic, commercial, financial and organisational matters.

As at 31 December 2024, the team consisted of ten (10) members.

Mr Fahad Al Hassawi
Chief Executive Officer

Joined in October 2006

Appointed CEO in September 2020

University of Miami: Master's degree in Industrial Engineering

Khalifa University: Bachelor's degree in Engineering

UAE national

Mr Kais Ben Hamida
Chief Financial Officer

Joined in July 2019

Sorbonne University: Master's degree in Economics

Ecole des Ponts ParisTech: Master's degree in Engineering

Ecole Polytechnique: Bachelor's degree in Statistical Modelling and Financial Engineering

French national

Mr Saleem Alblooshi
Chief Technology Officer

Joined in September 2008

Appointed Chief Technology Officer in November 2017

INSEAD: Master's in Business Administration

Khalifa University: Bachelor's degree in Engineering

UAE national

Mr Karim Benkirane
Chief Commercial Officer

Joined in August 2016

Appointed Chief Commercial Officer in November 2020

HEC Paris: Executive MBA in Global Business Administration

French national

Mr Ibrahim Nassir
Chief Human Resources and Shared Services Officer

Rejoined in November 2021

University of Miami: Bachelor's degree in Business Administration

UAE national

Mr Abdalla Alhammadi
Chief Information Officer (Acting)

Joined in February 2011

Appointment as Acting Chief Information Officer in October 2024

Higher College of Technology: Bachelor's degree in Business Information Technology

UAE national

Ms Hanan Ahmad
Chief Regulatory Affairs and Risk Officer

Joined in April 2010

Appointed Chief Regulatory Affairs and Risk Officer in March 2023

Sorbonne-Assas International Law School: LLM. in International Business Law

Richmond American University: Bachelor's degree in Business Administration

UAE national

Mr Diego Camberos
Chief Customer and Channels Officer

Joined in May 2023

University of Los Andes: MBA, Business Administration

University of South Carolina: Bachelor's degree in Economics and International Sciences

Bolivian national

Mr Jasim Alawadi
Chief ICT Officer

Joined in October 2007

Appointed Chief ICT Officer in January 2023

Etisalat college (Khalifa University): Bachelor's degree in Electronics Engineering

UAE national

Mr Dimitris Lioulias
Chief Strategy and AI Officer

Joined in September 2024

Rotterdam School of Management: Masters in Business Administration (MBA)

Panteion University Athens: Bachelor's degree in Political Science & International Studies

Greek national

Corporate Governance continued

6. Organisational structure continued

Statement of management remuneration

The table to the right reflects management's remuneration for the year ended 31 December 2024. The calculation is based on yearly total salaries and other cash benefits, excluding 2024 PBVP (Performance-Based Variable Pay).

Position	Date of joining	Total salaries and other allowances paid in 2024 (AED)	Any other cash/in-kind benefits for 2024 (AED)	Total PBVP paid for 2024 (AED)
Chief Executive Officer	23 April 2006	3,432,000	440,584	5,000,000
Chief Financial Officer	14 July 2019	2,400,000	105,165	1,917,548
Chief Technology Officer	7 September 2008	1,843,200	50,314	1,444,620
Chief Commercial Officer	1 August 2016	2,160,000	197,107	1,508,400
Chief Human Resources and Shared Services Officer	2 November 2021	2,040,000	170,020	1,699,625
Chief Information Officer*	1 April 2019	750,000	472,825	N/A
Chief Information Officer (Acting)**	6 February 2011	307,520	288,115	579,247
Chief Regulatory Affairs and Risk Officer	4 April 2010	1,224,000	288,666	934,804
Chief Customer Channels Officer	22 May 2023	1,980,000	377,769	1,291,970
Chief ICT Officer	2 October 2007	1,440,000	257,633	1,006,520
Chief Strategy and AI Officer	30 September 2024	439,833	283,781	243,836

* Chief Information Officer last date of service was 31 May 2024-other cash benefits include ESOB.

** Chief Information Officer (Acting) was appointed in October 2024.

Corporate Governance continued

7. External Auditor

7.1 Overview of the Company's auditor

PricewaterhouseCoopers was appointed as the Company's external auditor for the fiscal year 2024. PricewaterhouseCoopers provides audit and assurance, consulting, tax and related services to public and private clients spanning multiple industries.

7.2 Statement of fees and costs for the audit or services provided by the external auditor

Name of the audit office and partner auditor: PricewaterhouseCoopers Emaar Square (Dubai) Audit Partner: Virendra Dhirajlal Lodhia	
Number of years served as the Company's external auditor	3 years
Total audit fees for 2024 in (AED)	AED 1,583,524
Fees and costs of other services other than auditing the financial statements for 2024 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	Refer to paragraph 7.3 to the right
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	Refer to paragraph 7.3 to the right
Statement of other services that **an external auditor*** other than the company accounts auditor provided during 2024 (if any). In the absence of another external auditor, this matter is explicitly stated.	Refer to paragraph 7.3 to the right

* External auditors - known audit firms in line with du choice of auditors

7.3 Statement of fees, costs and services provided by external auditor firms in 2024:

Audit/Consulting firm	Details of service	Amount (AED)
PricewaterhouseCoopers	Consulting services and tax-related services	10,000,000
Ernst and Young	Consulting, advisory and tax-related services	3,145,860
Deloitte & Touche (M.E.)	Consulting services and tax-related services	282,819
KPMG Lower Gulf Limited	Consulting services	288,571
Total		**13,717,250**

7.4 There are no qualified opinions made by du's External Auditor in the interim or annual financial statements for the year 2024.

8. Internal control system

8.1 Role of the Board in internal control

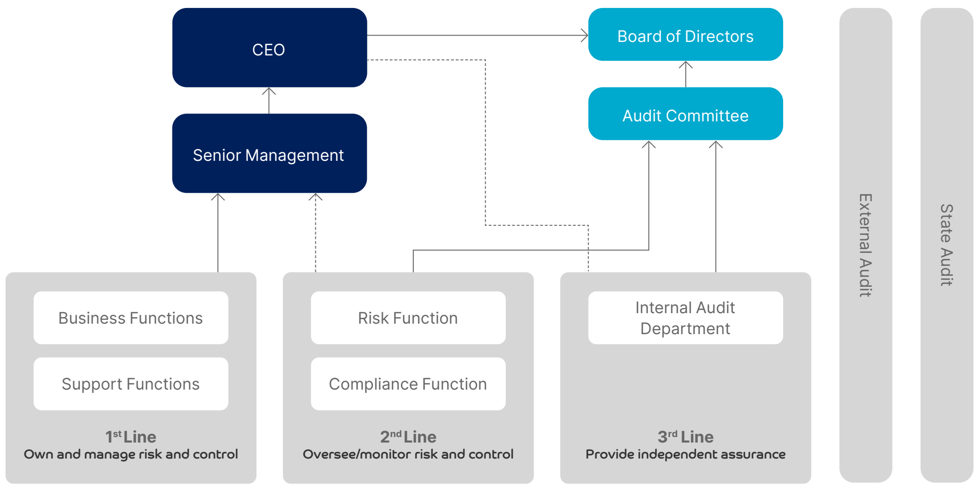
The Board has overall responsibility for ensuring the effectiveness of du's internal control system and setting a clear framework to ensure this. This allows for effective and efficient operations, accurate financial reporting, and compliance with laws and regulations.

Internal control system process

Internal Control is broadly defined as a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- **Effectiveness and efficiency of operations:** Addresses du's basic business objectives, including adherence to performance standards and the safeguarding of resources.
- **Reliability of financial reports:** Ensures that reliable financial statements and other financial information are presented to the shareholders, Board and Management.
- **Compliance with applicable laws and regulations:** oversight over Regulatory Compliance with applicable laws and regulations, limiting any damage to reputation or fines/penalties.

Implementing the "3 Lines Model" (see Diagram 1 below) establishes internal control within du.



8. Internal control system continued

8.1 Role of the Board in internal control continued

The First Line role:
This includes business and process owners whose activities create and/or manage risks. The first line owns the risks and designs and executes company-wide controls to respond to those risks on a day-to-day basis. They serve as the first line because controls are designed into systems and processes under their supervision of operational management.

The Second Line role:
This includes the functions that support management by bringing expertise and process excellence to monitor risks and associated controls. The second-line functions are generally separate from the first-line functions. The risk function and Compliance and ethics function (under the second-line role) have direct reporting lines to the Audit Committee and an administrative reporting line to the Chief Regulatory and Risk Officer.

The Third Line role:
This includes the company's Internal Audit Department, which is an independent function and does not perform operational activities. The third line provides reasonable assurance to senior management and the Board of Directors on the effectiveness of governance, risk management, and internal controls, and it also includes the activities performed by the first and second lines.

The internal control system aims to establish, document, maintain and act consistently with the principles of the internal auditing policy.

The system applies across all departments and all activities related to corporate governance and risk management.

- du's control management process ensures that the procedures are appropriately designed and effectively applied in accordance with the Company's annual strategic plan. The audit committee reviews this process, which the Board approves.
- The Internal Audit Department (3rd Line) produces reports on the efficiency of the applicable internal control systems, which are submitted to executive management and the Audit Committee. The reports include relevant suggestions and recommendations for improving the control system.
- The Internal Audit Department is not responsible for developing or maintaining internal control systems, which are owned by the 1st and 2nd Lines.
- The 2nd Line – Compliance & Ethics Function provides oversight to ensure consistency with UAE laws and all other regulations.
- To comply with the SCA mandate, the Compliance & Ethics function provides oversight regarding compliance with "external regulations and associated policies and procedures" across du. The Risk Function oversees the implementation of risk management processes and methodologies, with the aim of building a "risk-aware culture" across du.

du compliance framework

The du Compliance framework, approved by the Board, effectively oversees and monitors the key compliance requirements and embeds a strong compliance culture across du.

In 2024, du continued to enhance and strengthen the compliance & ethics management by:

- continuously monitoring external compliance requirements and proactively identify and report non-compliances through various compliance activities, as per the compliance plan;
- conducting investigations on the violations received and highlight any other gaps that need to be addressed to ensure compliance;
- conducting field visit exercises across du direct stores (including Virgin Mobile stores) and providing recommendations for mitigating any non-compliance identified, including following up on the implementation of the action plans;
- conducting mystery shopping across all du stores (both du and Virgin Mobile stores) by creating mystery shopping checklists based on multiple scenarios for applicable regulations to highlight non-compliances; and
- initiating company-wide Code of Business Conduct & Ethics (COBC&E) policy sign-off and assessment across all levels to promote an ethics-oriented culture and embed "integrity" in the decision-making process across the Company.

8. Internal control system continued

8.2 Name and qualifications of the Internal Audit department head

The Internal Audit Department is headed by Ms Hanan Ahmad, whom the Board appointed in February 2024 as Interim Chief Audit Executive. Ms Hanan Ahmad is a long-serving du executive with experience in the technology sector and corporate knowledge in the public sector. She has a Bachelor's degree in Business Administration from Richmond American University London and an LLM in International Business Law from Sorbonne-Assas International Law School.

8.3 Name and qualifications of the Compliance officer

The du Compliance function is headed by Muna Ali, who is the compliance officer of du. She has vast experience in compliance, ethics, governance, risk, audit, finance and accounting. In line with SCA mandate regarding roles and responsibilities of the Compliance Officer, she oversees the du compliance function covering critical areas like compliance with applicable laws & regulations, including associated policies and procedures, Code of Business Conduct and Ethics, on-ground mystery shopping and compliance field visits. She plays a key role in formulating the du compliance strategy and defining the Compliance roadmap, which puts her in a pivotal position to foster a compliance-oriented culture across du. In her capacity as an advisor to the Board and Audit Committees, Muna liaises with Audit Committee members, executive management team, and senior management of du in relation to compliance-related matters' across the Company. She holds a Master's degree in Finance from the British University in Dubai and a Bachelor's degree in Accounting.

8.4 How Internal Audit management addresses serious issues

The Internal Audit Department performs several audits and ad hoc assignments and carries out investigations on issues assigned by various functions, including technical audits, financial audits, operational audits, and forensic/ whistleblowing reviews. Following such reviews and investigations, they provide recommendations and report their findings to the Audit Committee. In 2024, no significant issues were noted that required disclosure.

8.5 Number of reports issued by the Internal Audit department to the Board

The Internal Audit Department issued two independent reports to the Audit Committee indicating the critical/high observations noted during 2024 and also shared the 2025 audit plan for the Committee's review and approval. In addition, periodic audit plan updates and forensic cases were issued to the Committee indicating the observations raised.

Risk Governance

Enterprise Risk Management (ERM)

ERM at du aims to create and protect value by contributing to the achievement of objectives, encouraging innovation and improving business performance. Management is committed to this approach, and all du employees are responsible for identifying, analysing, evaluating, treating and reporting risks and opportunities that could impact or influence du's strategic outcomes.

du and its subsidiaries strive to fulfil their vision and mission within a dynamic and ever-evolving business landscape. Achieving this requires a careful balance between leveraging opportunities and mitigating risks. To ensure sustainable success, it is essential to adopt a comprehensive and integrated approach to risk management. The du ERM Policy and Framework offers a structured methodology to effectively manage risks across du and its subsidiaries, promoting resilience and strategic alignment.

"ERM at du aims to create and protect value by contributing to the achievement of objectives, encouraging innovation and improving business performance."

Corporate Governance continued

8. Internal control system continued

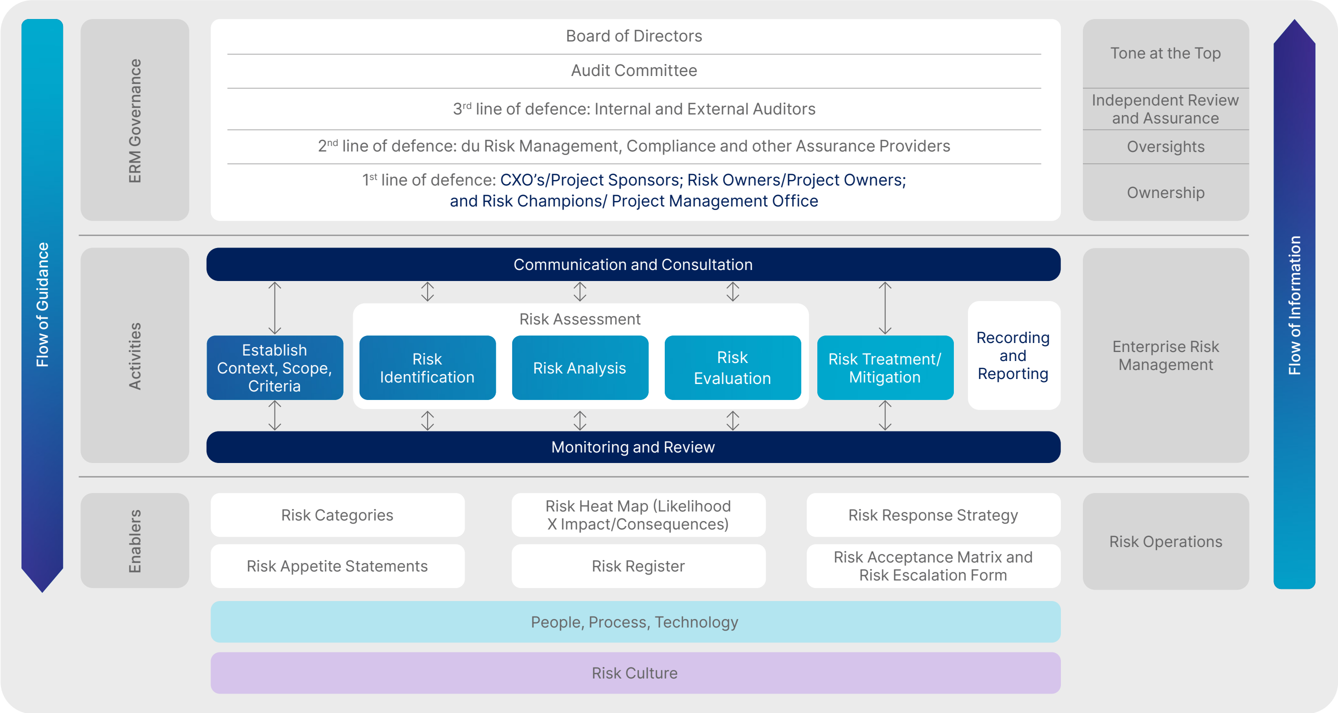
8.5 Number of reports issued by the Internal Audit department to the Board continued

Enterprise Risk Management (ERM) framework

The objective of the ERM Framework is to provide a holistic, integrated, structured and disciplined approach to risk management across the Company.

The ERM Framework, in conjunction with the ERM Policy, demonstrates to all internal and external stakeholders that Du and its subsidiaries have the internal processes, expertise, architecture, and risk-awareness culture necessary to manage the risks associated with the Company.

The underlying risk principles and/or approach, that are applied are consistent with the international standards and industry best practices including (but not limited to), ISO 31000:2018 (Risk Management Guidelines), COSO ERM 2017 Framework and Risk Management guidelines as stated in Securities and Commodities Authority (SCA) Decision No. 3 (2020) and its amendment i.e., SCA Chairman's Resolution No. (02/R.M) of 2024.



8. Internal control system continued

8.5 Number of reports issued by the Internal Audit department to the Board continued

Enterprise Risk Management (ERM) Governance

Board level

Board of Directors and Audit Committee

3rd line of defence

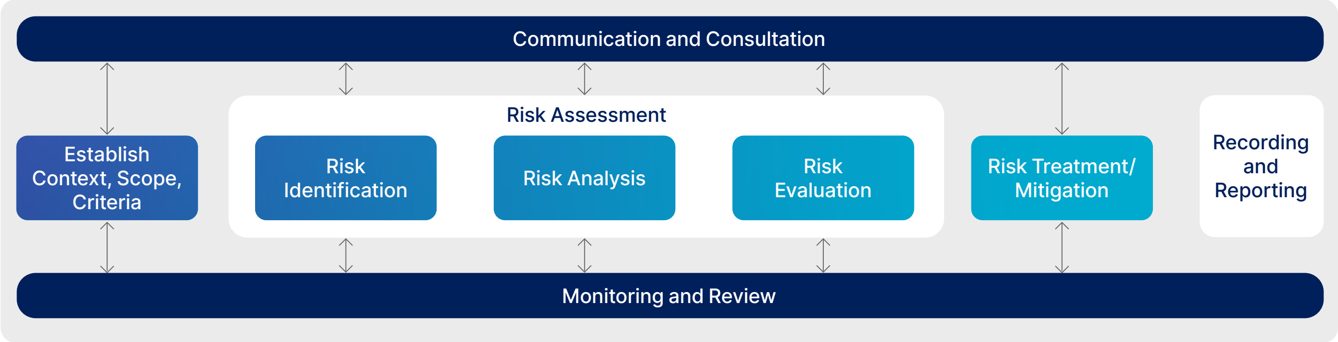
Assurance - internal and external auditors

2nd line of defence

Support and oversight functions including enterprise risk management and compliance

1st line of defence

Senior and operational management responsible for day-to-day risk management and control activities



du leverage the "Three Lines Model" in managing enterprise risk(s) and governance, as prescribed by the Institute of Internal Auditors (IIA). The Board is responsible for the governance of enterprise risk(s) by ensuring that appropriate ERM policy and framework have been established. Further, the Board ensures, through the Audit Committee and in consultation with the Executive Management, that appropriate policies and frameworks are in place for effective ERM.

The du Risk Management Department is managed by the Director—du Risk Management, who reports to the Chief Regulatory Affairs and Risk Officer ("CRARO"). Together, they report functionally to du's Audit Committee regarding Enterprise Risk Management.

Enterprise Risk Management (ERM) Process

ERM is a set of coordinated activities to direct and control risks and opportunities throughout the Company. It is a proactive approach to identifying, analysing, evaluating, treating, monitoring, and reporting risks.

The ERM process follows a series of logical steps, giving a systematic approach to establishing the context, risk assessment, treatment, and recording and reporting. This also provides a basis for ongoing monitoring, review, and communication of the information to the stakeholders for risk-based decision-making.

In the continuous pursuit of business objectives, both risks and opportunities are encountered by the Company, necessitating decisions regarding the levels of risk(s) that are acceptable. The extent of risk(s) that is prepared to be undertaken in the achievement of objectives is defined by risk appetite. In this regard, the "Risk Appetite" is formulated and detailed in the ERM Framework.

Corporate Governance continued

8. Internal control system continued

8.5 Number of reports issued by the Internal Audit continued

Enterprise risks

All enterprise risks and the status of the associated treatment plan(s) are discussed regularly with risk owners and executive management.

Quarterly, a consolidated report is presented to the Audit Committee for their information, input, support, and guidance, as deemed appropriate.

"All du employees are responsible for identifying, analysing, evaluating, treating and reporting risks and opportunities that could impact or influence du's strategic outcome."

The following table highlights some of du's enterprise risks.

Risk title	Risk description	Key risk controls and treatment
Management of Personally Identifiable Information (PII).	The risk stems from potential lapses in the ethical collection, processing, usage, and storage of Personally Identifiable Information (PII), which could lead to reputational harm, legal liabilities, regulatory penalties, and significant fines. Further, the heightened focus and growing market expectations around the ethical handling of personal data, as outlined in the "UAE's Personal Data Protection Law", present both opportunities and risks to du's short- and medium-term goals.	Effective and ethical management of data collection, processing, storage, and usage protocols (in alignment with the "UAE Personal Data Protection Law", ISO standards and industry best practices).
Cyber-attacks	The increasing global surge in cyber incidents and the continuous threat landscape pose significant risks to the confidentiality, integrity, and availability of information and its associated technology systems.	• Identify and mitigate internal and external cyber threats, vulnerabilities, and/or actual breaches by continuous monitoring of the following: – IT systems and assets/infrastructure; and – Security controls (people, process and technology). • Business-wide crisis management to ensure continuity and resilience. • Regular cybersecurity awareness and training via workshops, campaigns, etc., for employees (permanent, contractual and third-party).
Highly competitive telco market	The ease with which new competitors can enter the industry, coupled with the potential emergence of substitute products or services from both traditional and non-traditional players, may challenge the sustainability of du's current business model and disrupt planned strategic initiatives.	• Leverage partnerships/alliances to accelerate growth, expand market reach, and enhance capabilities. • Increase resilience and competitiveness by improving operational efficiency. • Build a strong brand identity that differentiates du from competitors. Further, strengthens customer loyalty and reduces churn by offering superior services and differentiated products.

Corporate Governance continued

8. Internal control system continued

8.5 Number of reports issued by the Internal Audit continued

Enterprise risks continued

Risk title	Risk description	Key risk controls and treatment
Technological complexities and stringent timelines to implement regulatory changes	In a regulated industry/sector, regulatory changes can result in frequent modifications of existing infrastructure, systems, and processes within strict deadlines. Failure to adapt promptly and effectively can lead to significant operational, financial, and reputational risks.	• A dedicated regulatory team proactively engages with relevant stakeholders, highlights new updates to the regulations, and extends support during the implementation of the regulations. • Independent Compliance team, conducting assessments to identify non-compliances proactively. Further, conducting investigations on violations received to identify root causes.
Highly competitive ICT market	Non-traditional players and OTT service providers increasingly disrupt the ICT market. Further, as ICT services converge, telecom operators must extend beyond traditional voice and data services. The competition now spans multiple sectors beyond telecommunications, creating new business pressures.	• Establish and build strategic partnerships to be actively engaged with multiple partners that cover the entire scope of the ICT portfolio. • Diversify ICT product/service offerings across different business verticals.
Third party risks due to reliance on outsourcing and strategic partnerships	While outsourcing and partnerships are important given our nature of work, they also introduce reliance on third-party suppliers/vendors and strategic partners. Further, over-reliance on a single supplier increases vulnerability to disruptions in case the supplier faces operational challenges, financial instability, or external crises.	• Conduct due diligence, contracting and ongoing monitoring of critical services and service providers. • Annual supplier risk assessment exercise, clubbed with proactive monitoring of news/events and financial stability of strategic suppliers. • Maintain service continuity and minimise the risk of disruptions by engaging multiple suppliers across critical areas of operations.
Legacy IT infrastructure, and lack of digital tools, expertise & limited digital savviness	Legacy IT infrastructure and a lack of digital expertise may lead to system inefficiencies and an inability to implement new technologies, resulting in increased operational costs, loss of market share, and reduced competitiveness.	• Continuously enhance technology infrastructure, ensuring that IT systems are scalable to support future needs/requirements. • Accelerate the digital transformation journey by integrating advanced and cutting-edge technologies to enable faster service delivery and improved customer experiences. • Fostering a culture of continuous learning and innovation by investing in the skills and capabilities of employees.

Corporate Governance continued

9. Details of violations committed during 2024 (as at 31 December 2024)

During the year 2024, du received seven violations from the Telecommunications and Digital Government Regulatory Authority (“TDRA”) of the UAE as follows:

Regulation	Number of violations
Registration requirements of mobile consumer (RRMC)	1
Instructions mobile number portability	4
Instructions fixed number portability	1
National numbering plan	1

For each of the violations received, du has sent a detailed response to the TDRA identifying the root cause and the actions to be taken. du has assigned dedicated resources and conducted investigations, wherever required, to ensure that the risks highlighted are mitigated and measures are put in place to avoid such instances.

10. Statement of contributions made by the company during the year 2024 in the development of the community and the preservation of the environment

The objective of our sustainability strategy continues to work towards:

i) making our people and communities happier;

ii) delivering the benefits of our services to everyone; and

iii) operating ethically and responsibly.

During the year 2024, we invested in projects that contributed towards the development of the community, as well as the preservation of the environment.

This year, we were honoured to achieve several accolades, including the prestigious ESG Label from the Dubai Chamber of Commerce and recognition at the MENA Green Building Awards in the “Healthy Spaces Project” category. These achievements underscore our innovative approaches to sustainability and resource management while reaffirming our commitment to ecological and community progress.

We significantly contributed to the well-being of society through impactful initiatives. Our Ramadan campaign, “Goodness Lasts,” emphasised the transformative potential of kindness, mobilising the community to support meaningful causes. We organised engaging events for senior citizens and orphans in partnership with the Thukher Club and the Dubai Charity Association, respectively. Our staff also volunteered with various community organisations during the year, such as Goumbook, Emirates Environmental Group and the Senses Residential and Day Care for Special Needs.

Additionally, our partnerships with UAE schools provided innovative educational experiences, focusing on cyber-safety and cyber-bullying awareness. At the AccessAbilities Expo, we reinforced our commitment to inclusivity by promoting accessibility and empowerment for people of determination.

Empowering youth remains at the core of our mission. The du Youth Council launched its 6th cohort, focusing on diversity, inclusion, and sustainability. It introduced initiatives such as sustainable robotics and entrepreneurial talent development, designed to equip young individuals with future-ready skills.

AED 1 million

donated to Al Jalila Foundation for advance medical research and patient care.

10. Statement of contributions made by the company during the year 2024 in the development of the community and the preservation of the environment continued

Meanwhile, our collaboration with CertNexus enabled workforce upskilling in cutting-edge digital technologies, supporting our broader goals of fostering innovation and digital empowerment.

In a significant environmental initiative, we partnered with Dubatt Battery Recycling to recycle all spent lead acid batteries from our operations. This effort ensures safe disposal and contributes to a circular economy by reducing environmental hazards and recovering valuable materials. We also surpassed our H1 2024 waste management goals, demonstrating our commitment to sustainable practices through efficient waste reduction initiatives. Our resource management strategies included reducing water and energy consumption across facilities, scaling solar energy installations on mobile towers, and deploying hybrid generators at over 200 sites. These efforts align with our commitment to achieving net-zero Scope 1 and 2 emissions by 2030 and Scope 3 emissions by 2050, supporting the UAE's Net Zero 2050 goals.

On the technological front, we have made strides in enhancing connectivity and innovation. Our partnership with Intelsat extended connectivity to remote areas of the UAE, bridging digital divides.

Together with Gracia Group, we launched a first-of-its-kind agri-tech digital platform to revolutionise agriculture and support the UAE's food security agenda. Additionally, our partnership with Paltel established an express connectivity route between the UAE and Palestine, fostering collaboration and connectivity in the region.

Our corporate culture also flourished, as evidenced by our score of 85 in the Glint Culture and Employee Engagement Index, which placed the company in the top 10% among global technology sector performers. Initiatives such as the "You Matter" campaign further highlighted our commitment to workforce well-being and accessibility.

In 2024, we contributed AED 1,219,557 in cash to support a range of social initiatives and campaigns. We also contributed AED 9,717,058 in-kind via a number of auction and SMS fund-raising campaigns for UAE-based charity organisations.

Details on these initiatives, as well as other social and environmental projects, can be found in our 2024 Sustainability Report.

85

Score in the Glint Culture and Employee Engagement Index, which placed the company in the top 10% among global technology sector performers.

AED 1.2 million

We contributed AED 1,219,557 in cash to support a range of social initiatives and campaigns.

AED 9.7 million

We contributed AED 9,717,058 in-kind via a number of auction and SMS fund-raising campaigns for UAE-based charity organisations.

11. General information

11.1 Statement of the Company's share price in the market during the year 2024

Month	Highest price	Lowest price	Closing price
January 2024	5.690	5.160	5.650
February 2024	5.900	5.250	5.900
March 2024	6.050	5.750	5.780
April 2024	6.000	5.510	5.850
May 2024	6.020	5.710	5.780
June 2024	5.860	5.640	5.700
July 2024	6.260	5.690	6.050
August 2024	6.360	5.900	6.280
September 2024	7.000	6.200	6.980
October 2024	7.500	6.660	7.470
November 2024	7.650	7.150	7.550
December 2024	7.610	7.220	7.490

11.2 Performance of the Company's shares in 2024 compared with the general market index and sector index

Month	Financial market's general index	The company's shares	Communication services index
January 2024	4,169.08	5.650	953.68
February 2024	4,308.77	5.900	995.87
March 2024	4,246.27	5.780	975.62
April 2024	4,155.77	5.850	987.44
May 2024	3,977.93	5.780	975.62
June 2024	4,030.00	5.700	962.12
July 2024	4,268.05	6.050	1,021.19
August 2024	4,325.45	6.280	1,060.02
September 2024	4,503.48	6.980	1,178.17
October 2024	4,591.05	7.470	1,260.88
November 2024	4,847.34	7.550	1,274.38
December 2024	5,158.67	7.490	1,264.25

11. General information continued

11.3 Statement of the shareholders' ownership distribution as on 31 December 2024

Investor/ Shareholder	Type of customer	Number of investors	Percentage
UAE	Government	6	0.2298
	Banks	7	0.7763
	Companies	95	80.8468
	Individuals	89,588	11.7713
	Sole Proprietors	3	0.0013
	Market Maker	1	0.0010
GCC Countries	Companies	30	0.1631
	Individuals	172	0.2471
	Bank	3	0.0795
Arabs	Companies	4	0.0014
	Individuals	509	0.2071
	Heirs	2	0.0008
Other nationalities	Companies	111	5.5153
	Individuals	888	0.1400

11.4 Statement of shareholders owning 5% or more of the Company's capital as on 31 December 2024

Name	Number of owned shares	Percentage of owned shares
Emirates Investment Authority	2,271,728,899	50.116%
Emirates Communications and Technologies Company LLC	891,428,571	19.665%
Mamoura Diversified Global Holding PJSC (formerly Mubadala Development Company PJSC)	456,112,112	10.062%

11.5 Statement of distribution of shareholders according to the size of the equity as on 31 December 2024

Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares
Less than 50,000	90,515	109,088,102	2.407
From 50,000 to less than 500,000	753	112,361,262	2.479
From 500,000 to less than 5,000,000	191	260,713,085	5.752
More than 5,000,000	31	4,050,743,540	89.363
Total	91,490	4,532,905,989	100.000

Corporate Governance continued

11. General information continued

11.6 Investor/shareholder relations

The Company maintains a close and continuous dialogue with its founding and public shareholders and the wider investor and analysts' community to ensure regular, transparent, and effective communication. The Company website is regularly updated to provide shareholder and capital markets participants with all updates from the Company, including financial results, dividends, updates from Board meetings, and shareholder resolutions.

During 2024, on top of the four earnings calls held to present the financial results for the fourth quarter and full year of 2023 and the first three quarters of 2024, the dialogue with institutional investors and analysts was sustained through the participation of members of the management team in numerous investor conferences and physical and virtual investor meetings where updates on the Company's strategy, financial performance, business and operations were provided.

The company has been regularly communicating with its shareholders to allow them to fully exercise their rights as well as to specify their rights to attend, vote and discuss the topics contained in Du's General Assembly agenda, as well as their entitlement to receive annual and interim dividends and respond to their queries. As directed by the SCA, the Company continued to remind its shareholders to collect their uncollected cash dividends for the period up to 2015 and also provided SCA with the relevant reports.

du has a website specifically for investor/shareholder relations (http://www.du.ae/about-us/investor-relations), which is regularly updated and contains the following information:

- Annual and periodic financial statements, annual reports and analysts' presentation.
- Analyst coverage and quarterly consensus.
- General Assembly meeting minutes.
- Information about the Company's share price along with quarterly and annual dividends.
- Details of the approved dividends and dividend policy.
- Corporate governance reports.
- Sustainability reports.
- Ownership structure and ratios.
- Formation of du's Board, Committees and Company structure.
- Press releases and notifications.

Below is an overview of the 2024 engagement with institutional investors through conferences:

March	EFG Hermes One-on-One Conference, *Dubai*
May	DFM Capital Market Summit, *Dubai*; Arqaam Mena Investor Conference, *Dubai*
June	HSBC GCC Exchange Conference, *London*
September	EFG Hermes 10th Annual Conference, *London*
November	Morgan Stanley TMT Conference, *Barcelona*
December	Citi 1-to-1 Conference, *Dubai*; MEIRA Annual Conference, *Abu Dhabi*

For investor inquiries or information about du's stock, financial reports and related items, please email Investor.Relations@du.ae, Ms Salwa Gradl, Director of Investor Relations, mobile number: +971 55 953 0307.

For all queries relating to shareholders' matters, such as dividends, board proposals, and shareholder resolutions, please email: shareholder.relations@du.ae or call +971 4 568 6000.

11. General information continued

11.7 Special resolutions passed by the General Assembly in the year 2024:

At the Annual General Assembly of du held on Thursday, 21 March 2024, the shareholders passed a special resolution to approve the voluntary contributions of an amount of AED 2,300,000 to be made to the community by du in 2024.

11.8 Company Secretary:

Ali Al Ali has been the Company Secretary of du since 2020. He is also the Chairperson of the Insiders Committee of du.

He holds an LLM-International Business Law degree from Universite Pantheon-Assas (Paris II), a Bachelor's degree in Law and Economy from Al Jazeera University in Dubai and a Bac +3 in Legal and Commercial translation (French – English- Arabic) from Universite de Toulouse (III) "le Mirail" in France. He has also received a Board Secretary certification from Hawkamah, the Institute of Corporate Governance. He has more than 17 years of experience in the fields of governance and shareholders' affairs.

Prior to joining du in 2010, he had held several positions at Dubai Real Estate Corporation and the TECOM Group.

The Company Secretary performs his tasks and functions in accordance with the SCA Corporate Governance Procedures and as directed by the Board and is independent of the Company's management.

11.9 Statement of the major events and important disclosures that took place in 2024

- Announcement of the consolidated financial statements for the year ended on 31 December 2023.
- Annual general assembly held physically and virtually at which shareholders approved dividend distribution of AED 0.34 per share for 2023, approval of policy/ framework for remuneration to Board members and ratification and election of Board members for next term, among other matters.
- Payment of AED 0.20 per share for the first half of the year 2024 as an interim dividend (in accordance with the Dividend Policy).
- Announced quarterly financial results after the end of each quarter, along with relevant press statements.

11.10 Statement of transactions made by the Company with related parties during 2024 which were equal to or more than 5% of du's share capital

During the year, the Company did not make any single transaction with any related party that was equal to 5% or more of the Company's capital.

11.11 Statement of Emiratisation percentage

The Emiratisation Percentage in the Company from 2020 – 2024 is as follows:

Year	Emiratisation Percentage
2020	37%
2021	40%
2022	40%
2023	40%
2024	39%

Corporate Governance continued

11. General information continued

11.12 Statement of innovative projects and initiatives carried out or being developed during 2024 by du

Some of the 2024 launches and initiatives that add to our credibility as an ICT player, specifically in the innovation space, show du ICT are the trusted enabler as per the following inspiring initiatives and projects:

ICT positioning as beyond the core solutions provider

- The launch of sub-brand du Tech in October 2024.
- Envision 2nd edition (AED 443k sponsorship revenue generated, nine partners, 26 speakers, 103 C-level participation, 500+ attendees, AED9.2mn PR value).
- Gitex 2024 with cutting edge six ICT showcases.

Major partnership for ICT – du Tech

- **Cloud:** Partnership with Oracle for Oracle Alloy to deploy 100 OCI – first sovereign cloud provider in UAE (Dubai & Northern Emirates).
- **Data Centre:** AIH partnership – first liquid cooling technology – significant advancement in the data centre & AI technology in the region.
- **IoT & Industry 4.0:** Partnership with MoIAT & EDB for digital transformation roadmap with ACME signed as first customer. Union Coop for smart trollies. Agritech Platform with Gracia Group endorsed by Ministry of Climate Change & Control.
- **AI:** Partnership with HCT to launch the OneHCT project, transforming HCT's contact centre into a digital enhanced hub.
- **Cybersecurity:** Launch of mobile protect. Partnership with Cisco to launch Umbrella – first of its kind cybersecurity solution.

Effective delivery on complex client contracts driving revenue growth for ICT

- **CBD (Cloud & Data Center):** Hosted in du's hyper-connected and Tier III Certified data centres, the solution aims to accelerate CBD's hybrid cloud journey and optimise the customer and team member experience. The solution brings together the powerful capabilities of the HPE GreenLake edge-to-cloud platform with connectivity, hosting, and network security services provided by du.

11. General information continued

11.12 Statement of innovative projects and initiatives carried out or being developed during 2024 by du continued

- **EDGE (IOT):** EDGE our first Dark Factory and Industry 4.0 solutions.
- **TDRA (Cloud, Data Center and Applications)**: The FEDNET Cloud Command Center (CCC) as part of a strategic initiative to promote Emiratisation with the cloud managed services field, further supporting the UAE's digital transformation efforts.
- **DHA (Cloud):** du will facilitate an IT & Business Application Split Program for Dubai Health Authority in a shift towards an integrated, efficient, and secure digital infrastructure in Dubai's healthcare sector.
- **DDA (Security):** Advanced du cloud platform within the Dubai Digital Cloud to enhance the quality of ICT services for Dubai government entities, offering enhanced functionalities, better performance, and cost optimisation.
- **Hassantuk (IOT):** Enhance the fire safety infrastructure across the UAE by integrating 21 cutting-edge technology features into the Hassantuk system and upgradation includes the integration of 13 hardware features to strengthen the country's fire safety measures.
- **Al Etihad Payments (Cloud and Security):** du will enhance their operations through providing cloud and security solutions to enable their digital transformation.

Transformation and innovation in ICT

- **Sovereign Cloud:** Building strategic capability - Oracle Alloy – Sovereign Cloud Partnership.
- **Data Centre:** AIH partnership for liquid cooling.

AI

- "AI City" creation with AI Ministry.
- Maha Humanoid teacher.
- Khaled 2.0 Virtual Emirati chatbot.
- Police chatbot for Dubai Police during Gitex.

IoT

- First of its kind fully automated dark warehouse for robotics and Industry 4.0 showcased in GITEX.
- AgriTech platform with Gracia Group.
- IoT solution for Smart trollies with Union Coop.

Cybersecurity

- Mobile protect – cybersecurity insurance programme.
- Umbrella with Cisco. Major Partnership for ICT – du Tech.

Signature of the Board Chairman

MALEK SULTAN AL MALEK
date: 6 March 2025

Signature of Audit Committee Chair

H.E. ABDULLA AL BASTI
date: 6 March 2025

Signature of Nomination and Remuneration Committee Chair

ABDULLA BELHOUL
date: 6 March 2025

Signature of Head of Internal Audit Department (Acting as of 5 January 2025)

HANAN AHMAD
date: 6 March 2025

Financial Statements

Emirates Integrated Telecommunications Company PJSC

Consolidated financial statements for the year ended 31 December 2024

Independent auditor's report to the shareholders of Emirates Integrated Telecommunications Company PJSC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Emirates Integrated Telecommunications Company PJSC ("the Company") and its subsidiaries (together the "Group"), as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters

- Revenue recognition due to complexity of related IT systems

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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

Independent auditor's report to the shareholders of Emirates Integrated Telecommunications Company PJSC (continued)

Our audit approach (continued)

Overview (continued)

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition due to complexity of related IT systems The Group reported revenue of AED 14.6 billion from telecommunication and related activities during the year ended 31 December 2024. We considered this area to be a matter of significance, as there is an inherent risk around the recognition of revenue in telecommunication services given that revenue is processed by complex information technology ("IT") systems, involving large volumes of data with a combination of different products, services, and related prices. A significant portion of our audit effort was directed towards this area as we placed high reliance on the Group's IT systems and key internal controls, which is a normal practice for an audit of a large telecommunications business. Refer to Notes 2.2 and 3.18 for the critical accounting judgements and key sources of estimation uncertainty, and material accounting policies made by management, respectively. Details of the Group's revenue are disclosed in Note 34 to the consolidated financial statements.	We performed audit procedures over this significant risk area, which included a combination of tests of controls and substantive procedures as described below: • Obtained an understanding of the various significant revenue streams and identified the relevant controls, IT systems, interfaces and reports; • Assessed the Group's revenue accounting policies, including the key judgments and estimates applied by management in consideration of the requirements of IFRS 15; • Placed reliance on the Group's IT systems and key internal controls. We involved our internal IT specialists to test the IT general controls and application controls connected with the processing of transactions of significant revenue streams; • Performed automated and manual controls testing, and substantive procedures to verify the accuracy and occurrence of revenue. This included testing the end-to end reconciliations from data records extracted from source systems to the billing systems and to the general ledger, and testing of key manual controls applied by the Group's revenue assurance team; • Performed independently generated events test using various parameters to ascertain those instances will accurately be processed through the network elements and recognised appropriately; • Performed additional substantive procedures in instances where control weaknesses were identified to assess accuracy and occurrence of revenue; • Used data analytics tools to identify, based on risk criteria, revenue-related manual journals posted to the general ledger and traced them to source documentation; and • Assessed the adequacy of the Group's disclosures in respect to revenue.

Independent auditor's report to the shareholders of Emirates Integrated Telecommunications Company PJSC (continued)

Our audit approach (continued)

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Independent auditor's report to the shareholders of Emirates Integrated Telecommunications Company PJSC (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

Independent auditor's report to the shareholders of Emirates Integrated Telecommunications Company PJSC (continued)

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Board of Directors' Report is consistent with the books of account of the Group;

v) as disclosed in Note 1 to the consolidated financial statements the Group has made an additional investment in the share capital of EITC Financial Services LLC during the year ended 31 December 2024;

vi) Note 15 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and

viii) Note 27 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2024.

PricewaterhouseCoopers Limited Partnership Dubai Branch

10 February 2025

Virendra Dhirajlal Lodhia
Registered Auditor Number 5443
Dubai, United Arab Emirates

Consolidated statement of financial position
As at 31 December 2024

	Note	As at 31 December 2024 AED 000	As at 31 December 2023 AED 000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**9,838,448**	9,722,700
Right-of-use assets	7	**1,657,217**	1,597,185
Intangible assets and goodwill	8	**1,260,152**	1,110,769
Lease receivable	9	**92,575**	109,612
Investments accounted for using the equity method	10	**2,716**	5,143
Financial asset at fair value through other comprehensive income	11	**2,334**	2,946
Trade receivables, contract assets and other assets	12	**180,573**	257,390
Contract costs	13	**345,227**	222,233
Total non-current assets		**13,379,242**	13,027,978
Current assets			
Inventories	14	**175,610**	101,695
Lease receivable	9	**19,027**	18,098
Trade receivables, contract assets and other assets	12	**2,319,810**	2,224,031
Contract costs	13	**361,577**	341,863
Due from related parties	15	**21,732**	53,449
Term deposits	16	**1,299,283**	1,326,586
Cash and bank balances	17	**983,969**	610,036
Total current assets		**5,181,008**	4,675,758
Total assets		**18,560,250**	17,703,736
EQUITY AND LIABILITIES			
Equity			
Share capital	24	**4,532,906**	4,532,906
Share premium	25	**232,332**	232,332
Other reserves	26	**2,250,474**	2,251,031
Retained earnings		**2,862,733**	2,226,944
Total equity		**9,878,445**	9,243,213

The notes on pages 94 to 128 are an integral part of these consolidated financial statements.

	Note	As at 31 December 2024 AED 000	As at 31 December 2023 AED 000
LIABILITIES			
Non-current liabilities			
Lease liabilities	18	**1,436,688**	1,455,374
Contract liabilities	19	**233,029**	217,254
Provision for employees' end of service benefits	20	**208,604**	208,471
Other provisions	21	**219,120**	210,778
Total non-current liabilities		**2,097,441**	2,091,877
Current liabilities			
Trade and other payables	22	**3,533,016**	5,247,287
Federal royalty on profit and corporate income tax	23	**1,923,452**	–
Lease liabilities	18	**561,999**	649,585
Contract liabilities	19	**559,180**	465,710
Due to related parties	15	**6,717**	6,064
Total current liabilities		**6,584,364**	6,368,646
Total liabilities		**8,681,805**	8,460,523
Total equity and liabilities		**18,560,250**	17,703,736

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents, in all material respects the financial position, results of operations and cash flows of the Group as at, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors on 10 February 2025 and signed on its behalf by:

Abdulla Mohammed Ahmad Albasti Almarri
Board Member

Kais Ben Hamida
Chief Financial Officer

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	For the year ended 31 December 2024 AED 000	2023 AED 000
Revenue	34	**14,635,917**	13,636,340
Operating expenses	27	**(10,059,524)**	(9,793,238)
Expected credit losses (net of recoveries)		**(261,268)**	(242,619)
Other income		**3,468**	841
Federal royalty on regulated revenue	23.1	**–**	(1,400,199)
Finance income	28	**79,930**	61,327
Finance costs	28	**(89,945)**	(101,430)
Share of loss on investment accounted for using the equity method	10	**(2,427)**	(2,720)
Profit before federal royalty on profit and corporate income tax		**4,306,151**	2,158,302
Federal royalty on regulated profit	23.1	**104,233**	(490,451)
Federal royalty on profit	23.2	**(1,675,882)**	–
Corporate income tax	23.2	**(246,955)**	–
Profit for the year		**2,487,547**	1,667,851
Other comprehensive income/(loss)			
Items that will not be re-classified to profit or loss			
Fair value changes on financial asset at fair value through other comprehensive income	11	**(612)**	(1,571)
Actuarial gain/(loss) on defined benefit obligations	20	**7,403**	(14,663)
Related corporate income tax	23.2	**(615)**	–
Other comprehensive income/(loss) for the year		**6,176**	(16,234)
Total comprehensive income for the year attributable to shareholders of the Company		**2,493,723**	1,651,617
Basic and diluted earnings per share (AED)	29	**0.55**	0.37

The notes on pages 94 to 128 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital AED 000	Share premium AED 000	Other reserves AED 000	Retained earnings AED 000	Total AED 000
At 1 January 2023	4,532,906	232,332	2,126,590	1,878,324	8,770,152
Profit for the year	–	–	–	1,667,851	1,667,851
Fair value changes on financial asset at fair value through other comprehensive income	–	–	(1,571)	–	(1,571)
Actuarial loss on defined benefit obligations	–	–	–	(14,663)	(14,663)
Total comprehensive (loss)/ income for the year	–	–	(1,571)	1,653,188	1,651,617
Transfer to other reserves	–	–	126,012	(126,012)	–
Final cash dividend paid	–	–	–	(589,278)	(589,278)
Interim cash dividend paid	–	–	–	(589,278)	(589,278)
At 31 December 2023	4,532,906	232,332	2,251,031	2,226,944	9,243,213
At 1 January 2024	**4,532,906**	**232,332**	**2,251,031**	**2,226,944**	**9,243,213**
Profit for the year	**–**	**–**	**–**	**2,487,547**	**2,487,547**
Fair value changes on financial asset at fair value through other comprehensive income – net of tax	**–**	**–**	**(557)**	**–**	**(557)**
Actuarial gain on defined benefit obligations – net of tax	**–**	**–**	**–**	**6,733**	**6,733**
Total comprehensive (loss)/ income for the year	**–**	**–**	**(557)**	**2,494,280**	**2,493,723**
Transfer to other reserves	**–**	**–**	**–**	**–**	**–**
Final cash dividend paid[1]	**–**	**–**	**–**	**(951,910)**	**(951,910)**
Interim cash dividend paid[2]	**–**	**–**	**–**	**(906,581)**	**(906,581)**
At 31 December 2024	**4,532,906**	**232,332**	**2,250,474**	**2,862,733**	**9,878,445**

(1) For the year 2023, a final cash dividend of AED 0.21 (2022: AED 0.13) per share amounting to AED 951,910 thousand was paid on 18 April 2024.

(2) For the period 2024, an interim cash dividend AED 0.20 (2023: AED 0.13) per share amounting to AED 906,581 thousand was paid on 19 August 2024.

For the year 2024, a final cash dividend of AED 0.34 per share amounting to AED 1,541,188 thousand is proposed.

Consolidated statement of cash flows
For the year ended 31 December 2024

	Note	For the year ended 31 December 2024 AED 000	2023 AED 000
Cash flows from operating activities			
Profit for the year		**2,487,547**	1,667,851
Adjustments for:			
Depreciation and impairment of property, plant and equipment	6	**1,569,189**	1,544,182
Depreciation of right-of-use assets	7	**374,505**	445,042
Amortisation and impairment of intangible assets	8	**209,896**	209,053
Service cost for employees' end of service benefits	20	**21,451**	19,753
Charge/(release) of allowance for inventory obsolescence	14	**8,874**	(970)
Loss allowances		**293,255**	273,573
Finance income	28	**(79,930)**	(61,327)
Finance costs	28	**89,945**	101,430
Share of loss on investment accounted for using the equity method	10	**2,427**	2,720
Federal royalty on profit and corporate income tax		**1,922,837**	–
Changes in other operating assets and liabilities	30	**(359,291)**	1,942,655
Cash generated from operations		**6,540,705**	6,143,962
Royalty paid on regulated activities	23	**(1,928,939)**	(1,687,899)
Payment of employees' end of service benefits	20	**(21,916)**	(30,697)
Net cash generated from operating activities		**4,589,850**	4,425,366
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,508,948)**	(1,899,868)
Purchase of intangible assets		**(363,611)**	(327,690)
Proceeds from disposal of property, plant and equipment		**874**	685
Interest received		**75,176**	44,992
Margin on guarantees placed		**(66)**	–
Net change in term deposits matured/(placed)		**27,319**	(652,319)
Net cash used in investing activities		**(1,769,256)**	(2,834,200)

	Note	For the year ended 31 December 2024 AED 000	2023 AED 000
Cash flows from financing activities			
Dividends paid		**(1,858,491)**	(1,178,556)
Repayment of lease liabilities		**(524,252)**	(593,690)
Interest paid on lease liabilities	18	**(63,671)**	(78,696)
Interest paid others		**(313)**	(1,269)
Net cash used in financing activities		**(2,446,727)**	(1,852,211)
Net increase/(decrease) in cash and cash equivalents		**373,867**	(261,045)
Cash and cash equivalents at 1 January		**607,690**	868,735
Cash and cash equivalents at 31 December	17	**981,557**	607,690

Non-cash transactions are disclosed in Note 30 of the consolidated financial statements.

The notes on pages 94 to 128 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

1 General information
Emirates Integrated Telecommunications Company PJSC ("the Company") is a public joint stock company with limited liability. The Company was incorporated according to Ministerial Resolution No. 479 of 2005 issued on 28 December 2005. The Company is registered in the commercial register under No. 77967. The principal address of the Company is P.O Box 502666 Dubai, United Arab Emirates (UAE). These consolidated financial statements for the year ended 31 December 2024 include the financial statements of the Company and its subsidiaries (together the "Group").

The Group's principal objective is to provide fixed, mobile, wholesale, broadcasting and associated telecommunication services in the UAE. During the year, the Group has invested additional share capital in EITC Financial Services LLC.

At the end of 2024, the Company has either direct or indirect ownership in the following subsidiaries:

		Shareholding		
Subsidiaries	**Principal activities**	**2024**	2023	**Country of incorporation**
EITC Investment Holdings Limited	Holding investments in various businesses.	**100%**	100%	UAE
Telco Operations FZ-LLC	Outsourcing services	**100%**	100%	UAE
Smart Dubai Platform Project Company LLC	Software development, IT infrastructure, IT network and computer systems housing services.	**100%**	100%	UAE
EITC Singapore Pte. Ltd.	Telecommunications resellers/third party telecommunications providers.	**100%**	100%	Singapore
EITC Solutions LLC	Computer network & infrastructure installation, project management, IT network and data centre collocation services.	**100%**	100%	UAE
EITC Financial Services LLC	Financial services company hosting digital wallet, retail payment, service provision brokerage and loyalty card services.	**100%**	100%	UAE

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

(i) Functional and presentation currency
The individual financial statements of each of the Group's subsidiaries, associates and joint venture are presented in the currency of the primary economic environment in which they operate (its functional currency) as provided in Note 3.17.

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Basis of preparation (continued)
2.1 New standards, amendments and interpretations
a) New and amended standards adopted by the Group
The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current;
- Amendment to IFRS 16 – Lease liability in a Sale and Leaseback;
- Amendments to IAS 1 – Non-current liabilities with covenants; and
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

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

(b) New standards and interpretations not yet adopted by the Group
As at 31 December 2024, the following standards, amendments and interpretations have not been effective and have not been early adopted. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

- Amendments to IAS 21 – Lack of Exchangeability (effective from 1 January 2025);
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (effective from 1 January 2026);
- Annual Improvement to IFRS Accounting Standards – Volume 11 (effective from 1 January 2026);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027); and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027).

Management is in the process of assessing the impact of these new standards and amendments which will be adopted in the Group's consolidated financial statements as and when they become effective.

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

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

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

Critical accounting judgements
(i) Asset retirement obligations
The Group exercises judgement in determining the expected cash outflows related to its asset retirement obligations.

The present value of the Group's provision is based on management's best estimate of the future cash outflows required to settle the obligations, discounted using appropriate discount rate. Additional information on this provision is disclosed in Note 21.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

2 Basis of preparation (continued)

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

(ii) Allocation of the transaction price

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

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

(iii) Determining the lease term

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

Key sources of estimation uncertainty

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

The Group recognises a loss allowance for expected credit losses ("ECL") on its trade receivables, due from related parties and contract assets. The approach for calculating ECL is provided in Note 3.16.1.

(ii) Provision for impairment of other financial assets

For all other financial assets, the Group calculates ECL using the general approach. The Group measures the loss allowance as provided in Note 3.16.1.

(iii) Impairment of goodwill

The recoverable amount of a cash-generating unit ("CGU") has been determined based on value-in-use calculations. These calculations are performed internally by the management and require the use of estimates and assumptions. The input factors most sensitive to change are management estimates of future cash flows based on budgets, growth rates and discount rate. Further details on these assumptions have been disclosed in Note 8.

(iv) Useful lives of property, plant and equipment

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

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

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

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

(vi) Discounting of lease payments

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

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

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

	Years
Buildings	25
Plant and equipment	
Network civil works/buildings	10-25
Infrastructure	3-25
IT hardware	3-10
Mobile network	8-10
Fixed network	2-10
Broadcasting	5-7
Furniture and fixtures	3-5
Motor vehicles	4

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period on a prospective basis. Property, plant and equipment are assessed for impairment annually as per non-financial assets impairment policy given in Note 3.16.2.

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

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

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

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

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

Right-of-use assets are assessed for impairment annually as per non-financial assets impairment policy detailed in Note 3.16.2.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)
3.3 Leases (continued)
ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate.

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

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

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

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

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

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

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

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

	Years
Telecommunications license	20

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)
3.4 Intangible assets (continued)
Computer software
Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

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

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 Summary of material accounting policies (continued)

3.8 Trade and other receivables

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

3.9 Contract liabilities

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

3.10 Cash and bank balances

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

3.11 Financial instruments

3.11.1 Non-derivative financial assets

Classification, initial recognition and measurement

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

(a) Financial assets measured at amortised cost

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

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

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)
3.11.1 Non-derivative financial assets (continued)
Subsequent measurement
Financial assets measured at amortised cost
Financial assets measured at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of comprehensive income when the asset is derecognised, modified or impaired.

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

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

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

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

3.12 Share capital
Ordinary shares are classified as equity.

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

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

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

3 Summary of material accounting policies (continued)

3.15 Employee benefits

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

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

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

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

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

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

3.16 Impairment

3.16.1 Financial assets

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)
3.16 Impairment (continued)
3.16.1 Financial assets (continued)
(b) Measurement of ECL on term deposits, bank balances and other financial assets
Impairment for terms deposits and bank balances is based on probability of default, calculated on the basis of ratings provided by credit rating agencies (e.g., Fitch, Moody's, etc.) of each bank and Loss Given Default driven by rating from reputable financial institutions.

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

3.16.2 Non-financial assets
Intangible assets that have an indefinite useful life or intangible assets, property, plant and equipment (including capital work in progress) not ready to use are not subject to Amortisation/depreciation and are tested annually for impairment. Assets that are subject to Amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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

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

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)
3.18 Revenue recognition
IFRS 15 Revenue from Contracts with Customers established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

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

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

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

Products with multiple deliverables that have value to a customer on a stand-alone basis are defined as multiple element arrangements. Contracts typically include the sale of handsets and other devices, subscriber identification module (SIM) card and a service package which mainly include voice, data, SMS/MMS, VAS or other services. These arrangements are divided into separate performance obligations. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. Revenue recognition for voice, data, SMS/MMS, VAS or other services is over the period when these services are provided to the customers.

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

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

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)

3.18 Revenue recognition (continued)

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

Variable Consideration

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

Contract Modification

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

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

(a) the modification adds distinct goods and services; and

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

Significant financing component

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

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

3.19 Commission to intermediaries

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 Summary of material accounting policies (continued)
3.20 Recognition of finance income and costs
Finance income comprises mainly interest income on short-term investments, other bank deposits and lease receivables. Interest income is recognised as it accrues in consolidated statement of comprehensive income, using the effective interest rate method.

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

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

3.22 Segmental information
Information regarding the Group's operating segments is reported in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker and used to allocate resources to the segments and to assess their performance.

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

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

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

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

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

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

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

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

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

Trade receivables, contract assets and due from related parties
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the extent to which credit terms are offered.

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

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

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

Information on the ageing of trade receivables, contract assets, due from related parties and due from other telecommunication operators is given in Note 32.1.

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

4 Financial risk management (continued)
4.1 Financial risk factors (continued)
Term deposits and cash and bank balances
Cash is placed with reputable banks and the risk of default is considered remote. The table below presents the external credit ratings as at 31 December of the Group's term deposits and bank balances.

Ratings	Term deposits		Cash and bank balances	
	2024 AED 000	2023 AED 000	**2024 AED 000**	2023 AED 000
Aa3/AA-	**–**	–	**26,788**	139,913
A1/A+	**–**	200,000	**31,625**	10,403
A2/A	**500,000**	277,072	**227,049**	56,820
A3/A-	**700,000**	525,000	**434,184**	260,140
Baa1/BBB+	**100,000**	325,247	**237,565**	114,403
Others	**–**	–	**27,179**	28,647
	1,300,000	1,327,319	**984,390**	610,326
Less: loss allowance	**(717)**	(733)	**(421)**	(290)
As at 31 December	**1,299,283**	1,326,586	**983,969**	610,036

(b) Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's business and reputation. A major portion of the Group's funds are invested in short-term investments which are readily available to meet expected operational expenses, including servicing of financial obligations. The table in Note 32.2 analyses the Group's non-derivative financial liabilities and derivative financial liabilities, if any, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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

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

(i) Foreign exchange risk
The Group is exposed to currency risk on sales and purchases that are denominated in a currency, primarily the Euro/GBP, other than the functional currency of the Company and its subsidiaries. In respect of the Group's transactions denominated in US Dollars ("USD"), the Group is not exposed to material currency risk as the AED is pegged to the USD at a fixed rate of exchange. The Group's exposure and sensitivity analysis in respect to the foreign exchange risk is detailed in Note 32.3.

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

4 Financial risk management (continued)
4.1 Financial risk factors (continued)
Term deposits and cash and bank balances (continued)
(iii) Equity price risk
The Group is not significantly exposed to equity price risk as the balance of the investment in equity instrument designated at FVOCI is not material.

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

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

	31 December 2024 AED 000	31 December 2023 AED 000
Total borrowings	**–**	–
Less: Term deposits/Cash and bank balances (Notes 16 and 17)	**(2,283,252)**	(1,936,622)
Net debt	**(2,283,252)**	(1,936,622)
Total equity	**9,878,445**	9,243,213
Gearing	**–**	–

Under the terms of the borrowing facility, the Group is required to comply with net debt to EBITDA financial covenant. The Group has complied with this covenant in 2024.

5 Fair value estimation
A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair values of the Group's financial assets and liabilities approximated their carrying values as reflected in these consolidated financial statements. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

	In AED 000			
	Level 1	Level 2	Level 3	Total
Financial asset at fair value through other comprehensive income (Note 11)	2,334	–	–	2,334
At 31 December 2024	2,334	–	–	2,334
Financial asset at fair value through other comprehensive income (Note 11)	2,946	–	–	2,946
At 31 December 2023	2,946	–	–	2,946

Financial instruments comprise financial assets and financial liabilities. The fair values of these financial assets and liabilities are not materially different from their carrying values unless stated otherwise (Note 32).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

6 Property, plant and equipment

	Buildings AED 000	Plant and equipment AED 000	Furniture and fixtures AED 000	Motor vehicles AED 000	Capital work in progress AED 000	Total AED 000
Cost						
At 1 January 2023	21,630	23,998,336	340,258	4,403	343,115	24,707,742
Additions	–	1,240,830	32,098	33	567,118	1,840,079
Addition: asset retirement obligations	–	4,276	–	–	–	4,276
Transfers	–	402,371	3,621	–	(405,992)	–
Disposals/write-offs	–	(115,939)	(21,048)	–	–	(136,987)
At 31 December 2023	21,630	25,529,874	354,929	4,436	504,241	26,415,110
Additions	–	1,203,895	40,940	360	437,476	1,682,671
Addition: asset retirement obligations	–	3,140	–	–	–	3,140
Transfers	–	173,819	500	–	(174,319)	–
Disposals/write-offs	–	(195,629)	(24,970)	–	–	(220,599)
At 31 December 2024	**21,630**	**26,715,099**	**371,399**	**4,796**	**767,398**	**27,880,322**
Depreciation / impairment						
At 1 January 2023	20,479	14,994,508	246,071	4,403	16,570	15,282,031
Charge for the year	878	1,501,278	30,323	14	–	1,532,493
Disposals/write-offs	–	(112,755)	(21,048)	–	–	(133,803)
Impairment charge/(reversal)	–	15,409	–	–	(3,720)	11,689
At 31 December 2023	21,357	16,398,440	255,346	4,417	12,850	16,692,410
Charge for the year	273	1,517,743	31,847	6	–	1,549,869
Disposals/write-offs	–	(194,755)	(24,970)	–	–	(219,725)
Impairment charge	–	18,561	–	–	759	19,320
At 31 December 2024	**21,630**	**17,739,989**	**262,223**	**4,423**	**13,609**	**18,041,874**
Net book value						
At 31 December 2024	**–**	**8,975,110**	**109,176**	**373**	**753,789**	**9,838,448**
At 31 December 2023	273	9,131,434	99,583	19	491,391	9,722,700

The carrying amount of the Group's buildings include a nominal amount of AED 1 (2023: AED 1) in relation to a plot of land granted to the Group by the UAE Government.

7 Right-of-use assets

	Land and buildings AED 000	Furniture & fixtures - space AED 000	Total AED 000
Cost			
At 1 January 2023	2,655,596	945	2,656,541
Additions	517,465	–	517,465
Re-measurement	133,395	–	133,395
Disposals	(167,747)	–	(167,747)
At 31 December 2023	3,138,709	945	3,139,654
Additions	155,983	–	155,983
Re-measurement	282,446	–	282,446
Disposals	(49,813)	–	(49,813)
At 31 December 2024	**3,527,325**	**945**	**3,528,270**
Depreciation			
At 1 January 2023	1,240,391	400	1,240,791
Charge for the year	444,941	101	445,042
Disposals	(143,364)	–	(143,364)
At 31 December 2023	1,541,968	501	1,542,469
Charge for the year	374,405	100	374,505
Disposals	(45,921)	–	(45,921)
At 31 December 2024	**1,870,452**	**601**	**1,871,053**
Net book value			
At 31 December 2024	**1,656,873**	**344**	**1,657,217**
At 31 December 2023	1,596,741	444	1,597,185

The Group leases several assets including shops, technical sites, offices, warehouses and billboards. The average lease term is 9.16 years (2023: 8.54 years). Short-term and low value leases are also included in right-of-use assets.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

8 Intangible assets and goodwill

	2024 AED 000	2023 AED 000
Goodwill	**413,220**	413,220
Intangible assets	**846,932**	697,549
	1,260,152	1,110,769

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

	2024 AED 000	2023 AED 000
Fixed line business	**413,220**	413,220

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

In 2024, the estimated recoverable amount of the fixed line business CGU exceeded its carrying amount by approximately 356%.

The key assumptions for the fixed line business CGU value-in-use calculations at 31 December 2024 include:

- 5-year revenue growth projections;
- a pre-tax discount rate of 8.40% (2023: 9.75%) based on the Company's weighted-average cost of capital;
- maintenance capital expenditure projections allowing for replacement of existing infrastructure at the end of its useful life; and
- terminal growth rate of 2%, determined based on management's estimate of the long-term cash flow growth rate, consistent with the assumption that a market participant would make.

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

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

8 Intangible assets and goodwill (continued)
Intangible assets

	Software in use AED 000	Capital work in progress AED 000	Telecom-munications license fees AED 000	Indefeasible rights of use AED 000	Total AED 000
Cost					
At 1 January 2023	2,500,897	257,526	124,500	207,359	3,090,282
Additions	58,040	299,578	–	–	357,618
Transfers	109,974	(109,974)	–	–	–
Disposals/write-offs	(583)	–	–	–	(583)
At 31 December 2023	2,668,328	447,130	124,500	207,359	3,447,317
Additions	64,830	294,449	–	–	359,279
Transfers	353,915	(353,915)	–	–	–
Disposals/write-offs	(177)	–	–	–	(177)
At 31 December 2024	**3,086,896**	**387,664**	**124,500**	**207,359**	**3,806,419**
Amortisation/ impairment					
At 1 January 2023	2,228,871	106	104,962	207,359	2,541,298
Charge for the year	194,011	–	6,223	–	200,234
Impairment charge/ (reversal)	8,925	(106)	–	–	8,819
Disposals/write-offs	(583)	–	–	–	(583)
At 31 December 2023	2,431,224	–	111,185	207,359	2,749,768
Charge for the year	203,673	–	6,223	–	209,896
Impairment charge/ (reversal)	–	–	–	–	–
Disposals/write-offs	(177)	–	–	–	(177)
At 31 December 2024	2,634,720	–	117,408	207,359	2,959,487
Net book value					
At 31 December 2024	**452,176**	**387,664**	**7,092**	**–**	**846,932**
At 31 December 2023	237,104	447,130	13,315	–	697,549

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

Telecommunication license fees represent charge by the Telecommunications and Digital Government Regulatory Authority ("TDRA") to the Group to grant the license to operate as a telecommunications service provider in the UAE.

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

9 Lease receivable

	2024 AED 000	2023 AED 000
Lease receivable (net of loss allowance)	**111,602**	127,710
Non-current	**92,575**	109,612
Current	**19,027**	18,098
Total lease receivable	**111,602**	127,710

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

	2024 AED 000	2023 AED 000
Maturity analysis:		
Not later than 1 year	**21,131**	20,515
Later than 1 year and not later than 5 years	**91,055**	88,402
Later than 5 years	**12,067**	35,851
	124,253	144,768
Less: unearned interest on lease receivable and loss allowance	**(12,651)**	(17,058)
	111,602	127,710

The interest income on lease receivable is presented in Note 28.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

10 Investments accounted for using the equity method

Investments	Principal activities	Shareholding 2024	Shareholding 2023	Country of incorporation
Dubai Smart City Accelerator FZCO (Associate)	To run accelerator programmes with the purpose of sourcing innovation and technology applicable to the Smart City Industry	**23.53%**	23.53%	UAE
Advanced Regional Communications Solutions Holding Limited (Joint venture)	Provision of connectivity and data centre services	**50%**	50%	UAE

Movement in investments in associate and joint venture

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

	2023		
	Associate AED 000	Joint venture AED 000	Total AED 000
At 1 January[1]	2,128	5,735	7,863
Share of loss for the year	(318)	(2,402)	(2,720)
At 31 December	1,810	3,333	5,143

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

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

	2024		
	Associate AED 000	**Joint venture AED 000**	**Total AED 000**
Non-current assets	**2,735**	**36,276**	**39,011**
Current assets	**555**	**24,944**	**25,499**
Current liabilities	**(51)**	**(3,066)**	**(3,117)**
Non-current liabilities	**–**	**(37,254)**	**(37,254)**
Net assets	**3,239**	**20,900**	**24,139**
Revenue	**–**	**14,730**	**14,730**
Loss for the year	**(4,454)**	**(2,757)**	**(7,211)**

	2023		
	Associate AED 000	Joint venture AED 000	Total AED 000
Non-current assets	7,143	42,569	49,712
Current assets	571	32,830	33,401
Current liabilities	(20)	(9,919)	(9,939)
Non-current liabilities	–	(41,819)	(41,819)
Net assets	7,694	23,661	31,355
Revenue	–	15,669	15,669
Loss for the year	(1,351)	(4,804)	(6,155)

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

11 Financial asset at fair value through other comprehensive income

	2024 AED 000	2023 AED 000
Listed shares		
Anghami Inc.	**2,334**	2,946

During the year 2024, a loss of AED 612 thousand was recognised in other comprehensive income (2023: AED 1,571 thousand).

12 Trade receivables, contract assets and other assets

	2024 AED 000	2023 AED 000
Trade receivables	**2,222,809**	2,057,319
Due from other telecommunication operators[1]	**211,398**	258,433
Contract assets	**489,486**	463,770
Less: provision for impairment	**(812,067)**	(756,993)
Net amount	**2,111,626**	2,022,529
Prepayments[2]	**168,251**	131,462
Advances to suppliers	**129,350**	195,845
Other receivables	**91,156**	131,585
Total trade receivables, contract assets and other assets	**2,500,383**	2,481,421
Non-current[3]	**180,573**	257,390
Current	**2,319,810**	2,224,031
Total trade receivables, contract assets and other assets	**2,500,383**	2,481,421

(1) Due from other telecommunication operators are presented after netting off payable balances amounting to AED 1,537,253 thousand (31 December 2023: AED 1,686,315 thousand).

(2) Prepayments include unamortised loan fees amounting to AED 4,539 thousand (31 December 2023: AED 11,709 thousand) related to the revolving credit facility.

(3) Total non-current includes the non-current portion for the unamortised loan fees amounting to AED 3,211 thousand (31 December 2023: AED 9,121 thousand).

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

	2024 AED 000	2023 AED 000
At 1 January	**756,993**	706,965
Charge for the year	**292,975**	273,573
Write-off during the year	**(237,901)**	(223,545)
At 31 December	**812,067**	756,993

13 Contract costs

	Current		Non-current	
	2024 AED 000	2023 AED 000	2024 AED 000	2023 AED 000
Contract costs	**361,577**	341,863	**345,227**	222,233

14 Inventories

	2024 AED 000	2023 AED 000
Goods held for sale	**198,569**	115,780
Less: allowance for inventory obsolescence	**(22,959)**	(14,085)
At 31 December	**175,610**	101,695
Inventories recognised as an operating expense during the year	**1,363,984**	1,191,010
Charge/(release) of allowance for inventory obsolescence recognised as an operating expense during the year	**8,874**	(970)

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

15 Related party balances and transactions
Related parties comprise the founding shareholders of the Company, entities under common shareholding, its directors, key management personnel and entities over which they exercise control, joint control or significant influence. The founding shareholders are Emirates Investment Authority, Mamoura Diversified Global Holding PJSC & Emirates Communications and Technologies Company LLC. Transactions with related parties are in the ordinary course of business and are approved by the Group's management or by the Board of Directors.

Related party balances

	2024 AED 000	2023 AED 000
Due from related parties	**21,732**	53,449
Due to related parties	**6,717**	6,064

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

	2024 AED 000	2023 AED 000
Sale of goods and services	**442,382**	579,949
Rent and services	**28,665**	28,687

Key management compensation

	2024 AED 000	2023 AED 000
Short-term employee benefits	**34,284**	33,947
Employees' end of service benefits	**405**	412
Post-employment benefits	**1,392**	1,186
Long-term incentives[1]	**5,875**	(3,125)
	41,956	32,420

(1) In 2023, the Group revised the estimation of long-term incentives resulted in the release of provision.

Board of Directors fees recorded during the year were AED 12,555 thousand (2023: AED 10,494 thousand).

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

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

16 Term deposits

	2024 AED 000	2023 AED 000
Term deposits (net of loss allowance)	**1,299,283**	1,326,586

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

17 Cash and bank balances

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

	2024 AED 000	2023 AED 000
Cash at bank (net of loss allowance)	**983,386**	609,341
Cash on hand	**583**	695
Cash and bank balances	**983,969**	610,036
Less: margin on guarantees (Note 31)	**(2,412)**	(2,346)
Cash and cash equivalents	**981,557**	607,690

18 Lease liabilities

	2024 AED 000	2023 AED 000
At 1 January	**2,104,959**	2,059,211
Lease liabilities during the year	**155,983**	517,465
Interest expense during the year	**63,671**	78,696
Payments made during the year	**(587,923)**	(672,386)
Re-measurement during the year	**282,446**	133,395
Disposals during the year	**(20,449)**	(11,422)
Closing balance	**1,998,687**	2,104,959

	Current		Non-current	
	2024 AED 000	2023 AED 000	2024 AED 000	2023 AED 000
Lease liabilities	**561,999**	649,585	**1,436,688**	1,455,374

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

19 Contract liabilities

	Current		Non-current	
	2024 AED 000	2023 AED 000	2024 AED 000	2023 AED 000
Contract liabilities	**559,180**	465,710	**233,029**	217,254

Revenue recognised during the year that was included in the contract liabilities balances at the beginning of 2024 was AED 350,373 thousand (2023: AED 354,803 thousand).

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

20 Provision for employees' end of service benefits

The Group provides end of service benefits (defined benefit obligations) to its eligible employees. The most recent actuarial valuations of the present value of the defined benefit obligations were carried out as at 31 December 2024 by a registered actuary in the UAE. The present value of defined benefit obligations and the related current and past service cost were measured using the Projected Unit Credit Method.

Changes in the present value of defined benefit obligations are as follows:

	2024 AED 000	2023 AED 000
At 1 January	**208,471**	197,166
Service cost	**21,451**	21,013
Interest cost	**8,001**	7,586
Actuarial (gain)/loss recognised in other comprehensive income(1)	**(7,403)**	14,663
Past service cost	**–**	(1,260)
Benefits paid during the year	**(21,916)**	(30,697)
At 31 December	**208,604**	208,471

(1) Actuarial (gain)/loss recognised in other comprehensive income relates to re-measurement of the employees' end of service benefits obligation net gain from changes in financial assumptions amounting to AED 8,114 thousand (2023: net loss of AED 7,306 thousand), net loss from experience adjustments amounting to AED 711 thousand (2023: net loss of AED 3,015 thousand) and demographic assumptions amounting to AED Nil (2023: net loss of AED 4,342 thousand).

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

	2024	2023
Average period of employment (years)	**4.75**	5.05
Average annual rate of salary increase	**2.5%**	2.5%
Average annual rate of salary increase for next two years	**2.5%**	2.5%
Discount rate	**4.90%**	4.10%

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

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

	Change in assumption		Impact on defined benefit obligation: Increase in assumption		Impact on defined benefit obligation: Decrease in assumption	
	2024	2023	2024	2023	2024	2023
Withdrawal rate	**10%**	10%	**0.83%**	0.44%	**(0.94%)**	(0.53%)
Mortality age	**1 year**	1 year	**0.04%**	0.02%	**(0.04%)**	(0.02%)
Average annual rate of salary increase	**1%**	1%	**5.56%**	5.85%	**(5.13%)**	(5.38%)
Discount rate	**1%**	1%	**(4.52%)**	(4.80%)	**4.98%**	5.31%

Expected contribution to defined benefit obligations for the year ending 31 December 2025 is AED 30,136 thousand.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

21 Other provisions

Asset retirement obligations

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

	2024 AED 000	2023 AED 000
At 1 January	**210,778**	208,801
Additions during the year	**5,530**	4,276
Deletions during the year	**(2,390)**	(8,038)
Adjustment for change in discount/inflation rates	**(1,582)**	1,410
Unwinding of discount	**6,784**	4,329
At 31 December	**219,120**	210,778

The provision is recognised based on the following significant assumptions:

	2024	2023
Average period of restoration (years)	**10**	10
Inflation rate	**2.02%**	2.06%
Discount rate	**3.99%**	3.54%

22 Trade and other payables

	Notes	2024 AED 000	2023 AED 000
Trade payables and accrual[1]		**2,435,421**	2,135,354
Accrued federal royalty on regulated activities	23.1	**–**	2,033,172
Due to other telecommunication operators[2]		**616,097**	641,140
Valued Added Tax (VAT) payable		**25,187**	24,674
Other payables and accruals		**456,311**	412,947
		3,533,016	5,247,287

(1) Trade payables and accruals include ICT fund payable to TDRA based on 1% of regulated revenue of AED 10,095,989 thousand (31 December 2023: AED 9,410,136 thousand).

(2) Due to other telecommunication operators are presented after netting off receivable balances amounting to AED 1,537,253 thousand (31 December 2023: AED 1,686,315 thousand).

23 Federal royalty and corporate income tax

	Notes	2024 AED 000	2023 AED 000
Federal royalty on profit	23.2	**1,675,882**	–
Corporate income tax	23.2	**247,570**	–
As at 31 December		**1,923,452**	–

23.1 Federal royalty on regulated activities

In year 2023, the federal royalty was calculated as 15% on regulated revenue and 30% on regulated profit after deducting royalty on regulated revenue according to the guidelines issued for the relevant period by the MoF.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

23 Federal royalty and corporate income tax (continued)
23.1 Federal royalty on regulated activities (continued)
Movement in the accrued federal royalty on regulated activities is as follows:

	2024 AED 000	2023 AED 000
At 1 January	**2,033,172**	1,830,421
Payment made during the year	**(1,928,939)**	(1,687,899)
(Release)/charge for the year – net	**(104,233)**	1,890,650
As at 31 December	**–**	2,033,172

23.2 Federal royalty on profit and corporate income tax
Federal royalty on profit
As per Cabinet of Ministers of UAE decision no. 8/38 of 2023 and the UAE Ministry of Finance ("the MoF") royalty guidelines, the federal royalty, effective from 2024 to 2026, is equal to 38% of yearly total regulated and non-regulated UAE profits (calculated before royalty and corporate income tax) of the Group. The total amount of federal royalty on profit and corporate income tax payable by the Group shall not be lower than AED 1.8 billion per year.

Corporate income tax
UAE Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses was published on 9 December 2022. Cabinet decisions are issued to specify the implementation of certain provisions in the corporate tax law ("the Law"). The Group is subject to corporate income tax at 9% on profit after royalty in the financial year beginning 1 January 2024.

Federal royalty on profit and corporate income tax have been provided for in the consolidated financial statements in accordance with the royalty guidelines and tax laws enacted or substantively enacted at year end. The effective annual income tax rate for the current year is 44.7% (2023: Nil).

a) Corporate income tax expense

	2024 AED 000	2023 AED 000
Corporate income tax expense attributable to:		
– Current corporate income tax	**246,955**	–
– Other comprehensive income not reclassified to profit or loss	**615**	–
	247,570	–

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

	2024 AED 000	2023 AED 000
Profit before federal royalty on profit and corporate income tax	**4,306,151**	–
Federal royalty on profit calculated at a rate of 38%	**1,636,337**	–
Prior period adjustments	**39,609**	–
International operations	**(64)**	–
Federal royalty on profit	**1,675,882**	–
Profit before corporate income tax after deduction of federal royalty on profit	**2,630,269**	–
Income subject to 0% corporate income tax rate	**(375)**	–
Income subject to 9% corporate income tax rate	**2,629,894**	–
Corporate income tax calculated at rate of 9%	**236,690**	–
Prior period adjustments	**9,381**	–
Disallowed deductions and others	**1,499**	–
Corporate income tax charge	**247,570**	–
Total federal royalty on profit and corporate income tax	**1,923,452**	–

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

23 Federal royalty and corporate income tax (continued)
23.2 Federal royalty on profit and corporate income tax (continued)
(b) Amount recognised in other comprehensive income

AED '000	2024 Before-corporate income tax amount	2024 Corporate Income tax (expense) /benefit	2024 Net-of-corporate income tax amount	2023 Before-corporate income tax amount	2023 Corporate Income tax (expense) /benefit	2023 Net-of-corporate income tax amount
Fair value changes on financial asset at fair value through other comprehensive income	**(612)**	**55**	**(557)**	(1,571)	–	(1,571)
Actuarial gain/(loss) on defined benefit obligations	**7,403**	**(670)**	**6,733**	(14,663)	–	(14,663)
Other comprehensive income/(loss)	**6,791**	**(615)**	**6,176**	(16,234)	–	(16,234)

24 Share capital

	2024 AED 000	2023 AED 000
Authorised, issued and fully paid-up share capital (4,532,905,989 shares of AED 1 each)	**4,532,906**	4,532,906

25 Share premium

	2024 AED 000	2023 AED 000
Premium on issue of common share capital	**232,332**	232,332

26 Other reserves

	Statutory reserve(1) AED 000	Other Reserve(2) AED 000	Total AED 000
At 1 January 2023	2,140,441	(13,851)	2,126,590
Transfer from retained earnings	126,012	–	126,012
Fair value changes on financial asset at fair value through other comprehensive income	–	(1,571)	(1,571)
At 31 December 2023	2,266,453	(15,422)	2,251,031
At 1 January 2024	**2,266,453**	**(15,422)**	**2,251,031**
Fair value changes on financial asset at fair value through other comprehensive income (net of tax)	**–**	**(557)**	**(557)**
At 31 December 2024	**2,266,453**	**(15,979)**	**2,250,474**

(1) In accordance with Federal Commercial Companies Law and the Company's Articles of Association, 10% of the net profit is required to be transferred annually to a non-distributable statutory reserve. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital. In September 2023, the statutory reserves balance has reached 50% of paid-up capital.

(2) This relates to the change in the fair value of financial asset at fair value through other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2024

27 Operating expenses

	31 December 2024 AED 000	31 December 2023 AED 000
Interconnect costs	**2,811,223**	2,729,605
Depreciation and impairment on property, plant and equipment (Note 6)	**1,569,189**	1,544,182
Cost of devices and direct services	**1,402,121**	1,405,604
Staff costs	**1,070,046**	1,069,596
Network operation and maintenance	**945,376**	880,791
Commission	**596,223**	535,469
Depreciation on right-of-use assets (Note 7)	**374,505**	445,042
Telecommunication licence and related fees	**422,496**	398,608
Marketing	**264,122**	235,994
Amortisation and impairment on intangible assets (Note 8)	**209,896**	209,053
Outsourcing and contracting	**123,893**	83,551
Others	**270,434**	255,743
	10,059,524	9,793,238

During the year ended 31 December 2024, the Group has paid AED 1,220 thousand (2023: AED 1,150 thousand) for various social contribution purposes.

28 Finance income and costs

	2024 AED 000	2023 AED 000
Finance income		
Interest income	**75,243**	56,025
Finance income on lease receivable	**4,687**	5,302
	79,930	61,327
Finance costs		
Interest expense on lease liabilities	**63,671**	78,696
Interest expense others[1]	**26,274**	22,734
	89,945	101,430

(1) "Interest expense others" mainly include interest cost and commitment fees on borrowings, interest cost on defined benefit obligations and unwinding of discount on asset retirement obligations.

On 29 April 2021, the Group signed a long-term financing agreement with a group of local and international banks for an unsecured credit facility ("the Financing") of AED 3,769 million equivalent, comprising a term loan facility and a revolving credit facility. In March 2024, the term loan facility has been cancelled and related unamortised loan fees have been recognised in profit or loss. The remaining revolving credit facility of AED 1,981 million equivalent has a maturity of 5 years extendable to 7 years.

29 Earnings per share

	2024	2023
Profit for the year (AED 000)	**2,487,547**	1,667,851
Weighted average number of shares (000)	**4,532,906**	4,532,906
Basic and diluted earnings per share (AED)	**0.55**	0.37

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

30 Changes in other operating assets and liabilities

	2024 AED 000	2023 AED 000
Change in:		
Inventories	**(82,789)**	(5,490)
Contract costs	**(142,708)**	(81,679)
Trade receivables, contract assets and other assets	**(301,655)**	(341,367)
Trade and other payables	**26,246**	2,332,449
Contract liabilities	**109,245**	(2,736)
Due from related parties	**31,717**	41,148
Due to related parties	**653**	330
Net changes in other operating assets and liabilities	**(359,291)**	1,942,655
Non-cash transactions:		
Accruals for property, plant and equipment	**173,723**	(59,789)
Accruals for intangible assets	**(4,332)**	29,928
Additions and remeasurement to right-of-use assets	**438,429**	650,860

The reconciliation for the changes in lease liabilities arising from financing activities are presented in Note 18 of the consolidated financial statements.

31 Contingencies and commitments

The Group has outstanding bank guarantees amounting to AED 205,973 thousand (2023: AED 90,993 thousand). Bank guarantees are secured against margin of AED 2,412 thousand (2023: AED 2,346 thousand) (Note 17).

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

The Group has contractual capital expenditure commitments amounting to AED 1,745,064 thousand (2023: AED 929,720 thousand).

32 Financial instruments and risk management

32.1 Credit risk

Exposure to credit risk

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

	Note	Carrying amount		Fair value	
		2024 AED 000	2023 AED 000	2024 AED 000	2023 AED 000
Non-derivatives					
Financial asset at fair value through other comprehensive income	11	**2,334**	2,946	**2,334**	2,946
Lease receivable	9	**111,602**	127,710	**111,602**	127,710
Trade receivables, contract assets and other assets(1)	12	**2,202,782**	2,154,114	**2,202,782**	2,154,114
Due from related parties	15	**21,732**	53,449	**21,732**	53,449
Term deposits	16	**1,299,283**	1,326,586	**1,299,283**	1,326,586
Cash and bank balances	17	**983,969**	610,036	**983,969**	610,036
		4,621,702	4,274,841	**4,621,702**	4,274,841

(1) For the purpose of the exposure to credit risk on financial assets disclosure, non-financial assets (prepayments and advances to suppliers) amounting to AED 297,601 thousand (2023: AED 327,307 thousand) have been excluded from trade receivables, contract assets and other assets.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

32 Financial instruments and risk management (continued)
32.1 Credit risk (continued)
Exposure to credit risk (continued)
Impairment of financials assets
The ageing of trade receivables, contract assets, due from related parties and due from other telecommunication operators are as follows:

31 December 2024

	Not past due AED 000	Past due 0-30 days AED 000	Past due 31-180 days AED 000	More than 180 days AED 000	Total AED 000
Gross carrying amount – trade receivables, contract assets and due from related parties	700,793	172,416	444,029	1,416,789	2,734,027
Loss allowance	(47,605)	(22,362)	(115,333)	(613,890)	(799,190)
Expected loss rate	6.79%	12.97%	25.97%	43.33%	
Gross carrying amount – due from other telecom operators	165,842	67,645	317,624	1,197,540	1,748,651
Loss allowance	(1)	–	(39)	(12,837)	(12,877)
Expected loss rate	0%	0%	0%	1.07%	

31 December 2023

	Not past due AED 000	Past due 0-30 days AED 000	Past due 31-180 days AED 000	More than 180 days AED 000	Total AED 000
Gross carrying amount – trade receivables, contract assets and due from related parties	963,966	109,300	328,184	1,173,088	2,574,538
Loss allowance	(47,513)	(22,217)	(91,730)	(582,952)	(744,412)
Expected loss rate	4.93%	20.33%	27.95%	49.69%	
Gross carrying amount – due from other telecom operators	114,238	269,513	295,859	1,265,138	1,944,748
Loss allowance	(1)	–	(32)	(12,548)	(12,581)
Expected loss rate	0%	0%	0%	0.99%	

The above gross carrying amount of due from other telecommunication operators amount excludes netting amounting to AED 1,537,253 thousand (31 December 2023: AED 1,686,315 thousand) (Note 12).

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

32 Financial instruments and risk management (continued)
32.2 Liquidity risk
The following are the contractual maturities of financial liabilities along with fair values:

31 December 2024

	Fair value AED 000	Carrying amount AED 000	Contractual cash flows Total AED 000	6 months or less AED 000	6-12 months AED 000	1-2 years AED 000	Above 2 years AED 000
Non-derivative financial liabilities							
Lease liabilities	1,998,687	1,998,687	1,998,687	260,859	301,140	315,211	1,121,477
Future interest on lease liabilities	–	–	283,684	28,860	16,206	38,332	200,286
Trade payables and accruals	2,435,421	2,435,421	2,435,421	2,435,421	–	–	–
Due to other telecommunication operators	616,097	616,097	616,097	616,097	–	–	–
Other payables and accruals	456,311	456,311	456,311	456,311	–	–	–
Due to related parties	6,717	6,717	6,717	6,717	–	–	–
	5,513,233	5,513,233	5,796,917	3,804,265	317,346	353,543	1,321,763

31 December 2023

	Fair value AED 000	Carrying amount AED 000	Contractual cash flows Total AED 000	6 months or less AED 000	6-12 months AED 000	1-2 years AED 000	Above 2 years AED 000
Non-derivative financial liabilities							
Lease liabilities	2,104,959	2,104,959	2,104,959	337,782	311,804	298,686	1,156,687
Future interest on lease liabilities	–	–	215,541	30,623	17,196	40,674	127,048
Trade payables and accruals	2,135,354	2,135,354	2,135,354	2,135,354	–	–	–
Due to other telecommunication operators	641,140	641,140	641,140	641,140	–	–	–
Accrued federal royalty	2,033,172	2,033,172	2,033,172	2,033,172	–	–	–
Other payables and accruals	412,947	412,947	412,947	412,947	–	–	–
Due to related parties	6,064	6,064	6,064	6,064	–	–	–
	7,333,636	7,333,636	7,549,177	5,597,082	329,000	339,360	1,283,735

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

32 Financial instruments and risk management (continued)

32.3 Currency risk

Exposure to currency risk

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

	31 December 2024 AED 000		31 December 2023 AED 000	
	EUR	**GBP**	EUR	GBP
Trade receivables	**8,879**	**738**	8,916	340
Trade payables	**(161)**	**(19)**	(333)	(48)
Net exposure	**8,718**	**719**	8,583	292

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

	Average rate		Reporting date spot rate	
	2024	2023	**2024**	2023
EUR 1	**3.9925**	3.9762	**3.8220**	4.0546
GBP 1	**4.7083**	4.5481	**4.6087**	4.6761

Sensitivity analysis

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

	2024 AED 000	2023 AED 000
Decrease in profit		
EUR	**(3,481)**	(3,413)
GBP	**(339)**	(133)

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

32.4 Financial instruments by category

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

	2024 AED 000	2023 AED 000
Financial asset at fair value through other comprehensive income	**2,334**	2,946
Financial assets measured at amortised cost		
Lease receivable	**111,602**	127,710
Trade receivables, contract assets and other assets[1]	**2,202,782**	2,154,114
Due from related parties	**21,732**	53,449
Term deposits	**1,299,283**	1,326,586
Cash and bank balances	**983,969**	610,036
	4,619,368	4,271,895
Financial liabilities measured at amortised cost		
Lease liabilities	**1,998,687**	2,104,959
Trade and other payables[2]	**3,507,829**	5,222,613
Due to related parties	**6,717**	6,064
	5,513,233	7,333,636

(1) Non-financial assets (prepayments and advances to suppliers) amounting to AED 297,601 thousand (2023: AED 327,307 thousand) have been excluded from trade receivables, contract assets and other assets.

(2) Non-financial liability (Value Added Tax) amounting to AED 25,187 thousand (2023: AED 24,674 thousand) has been excluded from trade and other payables.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

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

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

	31 December 2024			31 December 2023		
	Gross amounts AED 000	Gross amounts set off AED 000	Net amount presented AED 000	Gross amounts AED 000	Gross amounts set off AED 000	Net amount presented AED 000
Financial assets						
Due from other telecommunication operators	1,748,651	(1,537,253)	211,398	1,944,748	(1,686,315)	258,433
Financial liabilities						
Due to other telecommunication operators	2,153,350	(1,537,253)	616,097	2,327,455	(1,686,315)	641,140

34 Segment analysis
The Group has operations mainly in the UAE. The Group is organised into four major business segments as follows:

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

Segment contribution, referred to by the Group as gross margin, represents revenue less direct costs of sales. It is calculated before charging network operating costs, sales and general and administration expenses. This is the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance.

31 December 2024

	Mobile AED 000	Fixed AED 000	Wholesale AED 000	Others AED 000	Total AED 000
Segment revenue					
Timing of revenue recognition					
Over time	6,548,135	4,002,658	1,831,132	1,129,647	13,511,572
At a point in time	–	–	–	1,124,345	1,124,345
	6,548,135	4,002,658	1,831,132	2,253,992	14,635,917
Segment contribution	3,985,612	3,387,593	1,604,099	840,172	9,817,476
Unallocated costs					(5,502,351)
Other income					3,468
Finance income/(costs) and share of loss on investment accounted for using the equity method					(12,442)
Federal royalty on regulated profit					104,233
Federal royalty on profit					(1,675,882)
Corporate income tax					(246,955)
Profit for the year					2,487,547

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

34 Segment analysis (continued)

31 December 2023

	Mobile AED 000	Fixed AED 000	Wholesale AED 000	Others AED 000	Total AED 000
Segment revenue					
Timing of revenue recognition					
Over time	6,105,327	3,774,481	1,768,447	1,047,309	12,695,564
At a point in time	–	–	–	940,776	940,776
	6,105,327	3,774,481	1,768,447	1,988,085	13,636,340
Segment contribution	3,560,894	3,130,183	1,500,167	775,387	8,966,631
Unallocated costs					(5,366,148)
Other income					841
Finance income/(costs) and share of loss on investment accounted for using the equity method					(42,823)
Federal royalty on regulated activities					(1,890,650)
Profit for the year					1,667,851

In order to conform with current period presentation, at a point in time revenue and segment contribution previously reported under mobile and fixed segment have been re-presented under Others based on the internal management reporting. Such re-presented figures did not affect the previously reported total revenue, profit, comprehensive income or equity.

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

The Group's operations are subject to limited level of seasonality and cyclicality.

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