

Sudatel Telecom Group Limited
Independent Auditor's Review Report to the Board of Directors
on the Interim Condensed Consolidated Financial Information
for the Half Year Ended June 30, 2026

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sudatel Telecom Group Limited and its subsidiaries (together called "the Group") as at June 30, 2026, and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cashflows for the half year ended June 30, 2026. Management is responsible for the preparation and presentation of this financial information in accordance with International Accounting Standard – 34 "*Interim Financial Reporting*" (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph below, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard – 34 "*Interim Financial Reporting*".

Basis for Qualified Conclusion

The Group's Sudan operations in and around the city of Khartoum and some other areas have been affected by the war since mid-April 2023. Due to hostilities, the Group has sustained damages/losses to its Property, Plant & Equipment and Inventory in the affected areas, and physical access to the operational sites of the Group in the affected areas remained minimal or limited. The management of the Group, during the period from January 1, 2023 to December 31, 2025, has assessed accumulated impairment/loss to the extent of USD 38.890 million related to Property, Plant & Equipment and Inventory. No additional war related impairment of property plant and equipment and inventory recognized during the half year ended June 30, 2026. The damages / losses have been assessed based on detailed assessments performed by the operational teams on the ground and reviewed/approved by the War Damage Assessment Committee. Due to the noted circumstances, we were not able to confirm the completeness of damages/losses related to Property, Plant & Equipment and Inventory sustained by the Group in the Republic of Sudan through physical verification or other substantive audit procedures. Although, management has designed and implemented controls for identification and verification of identified war damages/losses related to Property, Plant & Equipment and Inventory, including archival of photographic evidence of damages, but due to minimal or limited physical access to war effected locations in the Republic of Sudan, identification and verification of war damages/losses cannot be ascertained.

Sudatel Telecom Group Limited
Independent Auditor's Review Report to the Board of Directors
on the Interim Condensed Consolidated Financial Information
for the Half Year Ended June 30, 2026 (Continued)

Emphasis of matters

We draw your attention to;

- a. Note 2.1 of the interim condensed consolidated financial statements which indicates that the Group has generated profit during the half year ended June 30, 2026 of **USD 14.359 million** (June 30, 2025: profit USD 39.525 million), as of that date, the Group's current liabilities exceeded its current assets by **USD 132.185 million** (June 30, 2025 Re-stated: USD 247.384 million). This condition and other matters indicate an uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the consolidated financial statements have been prepared on going concern basis, and the validity of this assumption depends upon the generation of sufficient cash flow by the Group to meet its liabilities as they fall due.
- b. Note 2.2 of the interim condensed consolidated financial statements mentions that the Republic of Sudan has been economically unstable for several years. In February 2021, the Central Bank of Sudan floated SDG (Local Currency of Sudan) to open the market, which resulted in a devaluation of SDG against USD by 1,413%. Consequently, in 2022, the economy of the Republic of Sudan experienced hyperinflationary conditions, which was further aggravated in 2023 and 2024 due to war. These hyperinflationary economic conditions continued with accumulated devaluation of SDG against USD by 191% during the year ended 2025 and half year ended June 30, 2026. The management and the Board of Directors of the Group evaluated the adoption of IAS 29 and concluded that the adoption/restatement of the condensed consolidated financial statements as per IAS 29 will not represent the true and fair view of the operational results and financial position of the Group; therefore, IAS 29 is not adopted for the Republic of Sudan Operations, for the half year ended June 30, 2026, on the basis that:
 - i. The Government of Sudan has not officially declared the economy of the country as Hyper Inflationary, and
 - ii. No official General Price Index / Consumer Price Index (CPI) has been published for the restatement of the financial statements as per IAS 29.
- c. Note 2.5 of the interim condensed consolidated financial statements which describes the significant judgements applied by management in determining foreign exchange rates used for translating the Sudan Operations in circumstances where foreign currency exchangeability was limited. As disclosed in Note 2.5 the management has applied estimated exchange rates based on observable market information and foreign exchange transactions carried out by the management through formal financial institutions.

Our conclusion is not modified with respect to the above matters.

Hisham Ali Mohamed Taher
Engagement Partner
HLB HAMT
Chartered Accountants
United Arab Emirates, Dubai
Date: July 28, 2026

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)



	Notes	Quarter Ended		Half Year Ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		USD	USD	USD	USD
Continuing operation					
Operating revenues		148,695,637	116,567,113	278,889,671	214,850,174
Operating expenses		(95,196,471)	(46,645,863)	(176,353,167)	(90,102,093)
Gross profit for the period		53,499,167	69,921,250	102,536,504	124,748,081
Profit from investments and deposits	22	3,754	639,808	46,228	667,757
Other operating loss	23	(92,558)	(21,132,709)	(5,033,580)	(24,683,957)
Marketing and selling expenses	24	(2,800,972)	(1,906,165)	(5,166,120)	(3,210,915)
General and administrative expenses	25	(22,372,678)	(15,223,760)	(42,801,953)	(29,398,221)
Operating profit for the period		28,236,713	32,298,424	49,581,079	68,122,745
Share of profit / (loss) of associates and joint ventures	7	155,463	72,305	560,741	163,103
Finance cost	18	(4,493,117)	(3,605,139)	(8,410,729)	(7,166,961)
Profit before tax from continuing operations for the period		23,899,059	28,765,590	41,731,091	61,118,887
Zakat	19	(2,535,001)	(1,990,628)	(4,479,386)	(3,680,572)
Taxation	20	(11,246,902)	(9,597,447)	(22,892,686)	(17,913,034)
Profit after tax from continuing operations for the period		10,117,156	17,177,515	14,359,019	39,525,281
Profit after tax from discontinued operations for the period		-	-	-	-
Net profit for the period		10,117,156	17,177,515	14,359,019	39,525,281
Attributable to:					
Equity holders of the parent		10,257,167	17,264,161	14,671,408	39,700,871
Non-controlling interests		(140,011)	(86,646)	(312,389)	(175,590)
		10,117,156	17,177,515	14,359,019	39,525,281
Earnings per share					
Basic and diluted EPS attributable to the ordinary equity holders of the Group		0.0074	0.0124	0.0106	0.0285

The annexed notes from 1 to 31 form integral part of these interim condensed consolidated financial statements

Eng. Magdi Mohammed Abdallah Taha

President/CEO

Balbinder Ranbir Singh

Group Chief Financial Officer

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)



	Quarter Ended		Half Year Ended	
	June 30, 2026 USD	June 30, 2025 USD	June 30, 2026 USD	June 30, 2025 USD
Net profit for the period	10,117,156	17,177,515	14,359,019	39,525,281
Other comprehensive income / (loss):				
Exchange differences on translation of foreign operations	(325,318,788)	(6,822,897)	(318,342,752)	(47,911,831)
Net other comprehensive (loss) to be reclassified to profit or loss in subsequent periods	(325,318,788)	(6,822,897)	(318,342,752)	(47,911,831)
Total other comprehensive income / (loss) net of tax for the period	(325,318,788)	(6,822,897)	(318,342,752)	(47,911,831)
Total comprehensive income / (loss) net of tax for the period	(315,201,632)	10,354,618	(303,983,733)	(8,386,550)
Attributable to:				
Equity holders of the parent	(315,066,233)	10,371,069	(303,704,124)	(8,389,152)
Non-controlling interests	(135,399)	(16,451)	(279,609)	2,602
	(315,201,632)	10,354,618	(303,983,733)	(8,386,550)

The annexed notes from 1 to 31 form integral part of these interim condensed consolidated financial statements

Eng. Magdi Mohammed Abdallah Taha

President/CEO

Balbinder Ranbir Singh

Group Chief Financial Officer

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION



		Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
	Notes	USD	USD	Re-stated USD
Asset				
Non-current assets				
Property, plant and equipment	5	671,356,185	976,153,527	448,557,827
Intangible assets	6	177,970,053	223,830,811	123,095,122
Investments in associates and joint ventures	7	2,398,110	3,882,444	8,761,812
Other financial assets	8	43,542	47,670	53,048
Deferred tax asset	9	5,532,724	5,496,317	-
		857,300,614	1,209,410,769	580,467,809
Current assets				
Inventories	10	7,249,613	4,088,732	10,275,538
Trade and other receivables	11	127,854,876	128,769,993	154,114,304
Term deposits	12	20,193	30,186	38,840
Cash and bank balances	13	42,761,856	47,526,394	40,805,715
Assets classified as held for sale	26	6,570,503	6,581,128	6,656,182
		184,457,041	186,996,433	211,890,579
Total assets		1,041,757,655	1,396,407,202	792,358,388
Equity and liabilities				
Equity				
Share capital	14	1,388,691,077	1,388,691,077	1,388,691,077
Share premium		9,705,242	9,705,242	9,705,242
General reserve		74,673,448	74,673,448	74,673,448
Foreign currency translation reserve		(2,955,620,190)	(2,637,244,658)	(2,599,973,233)
Revaluation reserve		1,748,829,196	1,748,829,196	1,109,342,011
Actuarial loss		(30,288,933)	(30,288,933)	(27,514,942)
Retained earnings		247,627,835	232,956,427	153,224,822
Other components of equity		3,387	3,387	3,387
Equity attributable to equity holders of the parent		483,621,062	787,325,186	108,151,812
Non-controlling interests		(21,578,654)	(21,299,045)	(21,133,180)
Total equity		462,042,408	766,026,141	87,018,632
Non-current liabilities				
Loans and borrowings	15	232,654,118	226,495,255	207,831,083
Non-current employees' end of service benefits	21	3,792,031	5,130,002	2,432,647
Non-current deferred revenue	17	5,823,890	6,028,982	6,713,506
Non-current portion of trade payables and accruals	16	20,802,620	14,070,439	29,087,940
		263,072,659	251,724,678	246,065,176
Current liabilities				
Trade payables and accruals	16	173,744,751	210,527,693	267,572,513
Deferred revenue	17	16,377,684	12,784,640	22,548,933
Employees' end of service benefits	21	204,859	204,859	149,918
Zakat payable	19	6,551,542	5,341,461	5,729,525
Taxation payable	20	40,295,858	35,780,886	35,464,441
Finance costs payable	18	11,721,963	5,093,493	99,274,463
Loans and borrowings	15	49,122,714	90,270,017	9,668,723
Liabilities classified as held for sale	26	18,623,217	18,653,334	18,866,064
		316,642,588	378,656,383	459,274,580
Total liabilities		579,715,247	630,381,061	705,339,756
Total equity and liabilities		1,041,757,655	1,396,407,202	792,358,388

The annexed notes from 1 to 31 form integral part of these interim condensed consolidated financial statements

Eng. Magdi Mohammed Abdallah Taha

President/CEO

Balbinder Ranbir Singh

Group Chief Financial Officer

SUDATEL TELECOM GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED



		June 30, 2026	June 30, 2025
			Re-stated
	Notes	USD	USD
Operating activities:			
Profit after tax for the period from continuing operations		14,359,019	39,525,281
Profit after tax for the period from discontinued operations		-	-
Profit for the period		14,359,019	39,525,281
Adjustments to reconcile net profit / (loss) to net cash flows:			
Depreciation	5	48,373,360	19,848,177
Amortization	6	31,865,476	8,084,550
Employees' end of service benefits provision	21	93,047	22,374
Profit from investments and deposits	22	(46,228)	(667,757)
Share of loss of associates and joint ventures	7	(560,741)	(163,103)
Finance cost	18	8,410,729	7,166,961
Provision for zakat	19	4,479,386	3,680,572
Provision for taxation	20	22,892,686	17,913,034
Deferred tax asset	9	(36,407)	-
Working capital adjustments:			
(Increase) in inventories		(3,160,881)	(5,528,797)
(Increase) in trade and other receivables		915,117	(15,032,983)
(Decrease) in trade payables and accruals		(30,175,181)	(11,878,731)
End of service benefits paid	21	(12,848)	(17,768)
Finance cost paid	18	(922,738)	(207,721)
Zakat paid	19	-	(1,089,473)
Tax paid	20	(2,649,629)	(2,973,381)
Net cash flows generated from operating activities		93,824,167	58,681,235
Investing activities			
Purchase of property, plant and equipment	5	(38,259,323)	(112,653,973)
Additions to intangible assets	6	(23,569,445)	(70,169)
Movement in investments in associates and joint ventures	7	2,045,075	(2,186)
Profit from investments and deposits	22	46,228	667,757
Net cash flows used in investing activities		(59,737,465)	(112,058,571)
Financing activities			
Movement of loans and borrowings-net		(34,988,440)	26,008,093
Dividends & other distributions-net		(1,137,558)	(2,956,376)
Non-controlling interests and disposal-net		32,780	178,193
Net cash flows generated/(used) in financing activities		(36,093,218)	23,229,910
Net increase in cash and cash equivalents		(2,006,516)	(30,147,426)
Effect of exchange rate changes on cash and cash equivalents		(2,758,022)	41,373,265
Cash and cash equivalents at beginning of the year		47,526,394	29,579,874
Cash and cash equivalents at half year ended	13	42,761,856	40,805,713

The annexed notes from 1 to 31 form integral part of these interim condensed consolidated financial statements

Eng. Magdi Mohammed Abdallah Taha

President/CEO

Balbinder Ranbir Singh

Group Chief Financial Officer

	Attributable to the equity holders of the Parent										
	Share capital	Share premium	General reserve	Foreign currency translation reserve	Revaluation reserve	Other components of equity	Actuarial loss	Retained earnings	Total	Non-controlling interests	Total equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
1 January 2025	1,388,691,077	9,705,242	74,673,448	(2,552,061,402)	1,109,342,011	3,387	(27,514,942)	135,084,433	137,923,254	(21,135,783)	116,787,471
Prior Year Adjustment - Note 31	-	-	-	-	-	-	-	(12,060,482)	(12,060,482)	-	(12,060,482)
1 January 2025-Re-stated	1,388,691,077	9,705,242	74,673,448	(2,552,061,402)	1,109,342,011	3,387	(27,514,942)	123,023,951	125,862,772	(21,135,783)	104,726,989
Profit for the year	-	-	-	-	-	-	-	117,932,476	117,932,476	(397,473)	117,535,003
Other comprehensive movement	-	-	-	(85,183,256)	639,487,185	-	(2,773,991)	-	551,529,938	234,211	551,764,149
Dividends & other distribution	-	-	-	-	-	-	-	(8,000,000)	(8,000,000)	-	(8,000,000)
1 January 2026	1,388,691,077	9,705,242	74,673,448	(2,637,244,658)	1,748,829,196	3,387	(30,288,933)	232,956,427	787,325,186	(21,299,045)	766,026,141
Profit for the half year ended	-	-	-	-	-	-	-	14,671,408	14,671,408	(312,389)	14,359,019
Other comprehensive movement for the half year ended	-	-	-	(318,375,532)	-	-	-	-	(318,375,532)	32,780	(318,342,752)
30 June 2026 - Unaudited	1,388,691,077	9,705,242	74,673,448	(2,955,620,190)	1,748,829,196	3,387	(30,288,933)	247,627,835	483,621,062	(21,578,654)	462,042,408

The annexed notes from 1 to 31 form integral part of these interim condensed consolidated financial statements

Eng. Magdi Mohammed Abdallah Taha



President/CEO

Balbinder Ranbir Singh



Group Chief Financial Officer

SUDATEL TELECOM GROUP LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

1. CORPORATE INFORMATION

Sudatel Telecom Group Limited (“Sudatel”, “the Group”, “the Company” or “the Parent”), previously known as Sudan Telecommunication Company Limited, is a public listed company incorporated in the Republic of Sudan in accordance with Sudan Commercial Companies Law (1925) under Commercial Registration (CR) number 7484. The Group has its registered office at Sudatel Tower, Building 9/A, Block No.2, West Khartoum, Republic of Sudan. The Group’s shares are listed on the Khartoum Stock Exchange in Sudan and the Abu Dhabi Securities Exchange in United Arab Emirates.

The Group and its subsidiaries (collectively referred to as “the Group”) are engaged in the provision of installation, maintenance, operation of telecommunication infrastructure and related services. The Subsidiaries of the Group are as follows:

1. Espresso Telecom Holding Company of UAE
2. Sudanese Internet Company Limited of Sudan
3. Espresso International Company SPC of Oman
4. Espresso Digital LLC of Oman
5. Espresso Advanced Solutions LLC of Qatar

Following are the wholly owned subsidiaries of Espresso Telecom Holding Company:	Associated Companies of the Group:
1. Espresso Senegal of Senegal 2. Chinguitel Telecom Company Limited of Mauritania 3. Intercel Plus Guinee S.A of Guinea Conakry 4. ETSN International Limited of British Virgin Island 5. Espresso Senegal (BVI) Limited of British Virgin Island 6. EMR International Limited of British Virgin Island 7. Intercel Holding SA of Luxemburg 8. Espresso General Trading LLC UAE	1. Arab Submarine Cables Company Limited of Kingdom of Saudi Arabia 2. Electronic Banking Services of Sudan 3. Al Gadida Asima Services Company Limited of Sudan The Joint Ventures in which the Group is one of the Joint Venture Partner are: 1. Sudasat Company of Sudan 2. Sudani Fintech Services Company Ltd

The interim condensed consolidated financial statements for the half year ended June 30, 2026, were approved and authorised for issue in accordance with a resolution of the Board of Directors on July 28, 2026.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 GOING CONCERN

The Group has generated profit of **USD 14.359 million** during the half year ended June 30, 2026 (June 30, 2025 39.525 million) , as of that date, the Group’s current liabilities exceeded its current assets by **USD 132.185 million** (June 30, 2025 Re-stated: USD 247.384 million).

The interim condensed consolidated financial statements of the Group have been prepared on a going concern basis which assumes that the Group will continue to be in existence in the foreseeable future except for the operations of Intercel Plus Guinee S.A Company in Guinea Conakry which were discontinued in 2018.

The operations of the Group in Sudan have been adversely affected by the devaluation of the functional currency against the United States Dollars. Management is confident in its ability to generate sufficient operating cash flows, obtain new financing facilities as well as renegotiate favourably its terms of payments with existing creditors and lenders. Accordingly, management considers the going concern basis of preparation to be appropriate.

SUDATEL TELECOM GROUP LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

2.2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the half year ended June 30, 2026 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the presentation and disclosure requirements of IAS 34 Interim Financial Reporting, and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), except for IAS 29 “Financial Reporting in Hyper Inflationary Economies”. These interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2025. The accounting policies and methods of computation applied in preparing these interim condensed consolidated financial statements are consistent with those applied in the Group’s annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new and amended standards effective from January 1, 2026, and the matters described in Notes 2.3 and 2.5.

The interim condensed consolidated financial statements have been prepared on a historical cost basis of measurement except for certain property, plant and equipment and intangible assets that are measured at revalued amounts as at December 31, 2025, financial assets at fair value through profit or loss and fair value through OCI measured at fair value, assets held for sale measured at fair value less costs to sell and defined employee benefit plans measured at present value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The interim condensed consolidated financial statements are presented in US dollars (USD). The functional currency of the Sudan operations of the Parent is Sudanese Pounds (SDG). Due to ongoing conflict in Sudan, Central Bank of Sudan or any commercial bank does not officially publish foreign exchange rates on consistent basis. Accordingly, spot rates of exchange contracts signed by the Group with parties in Sudan through commercial banks are used for the purpose of recording of foreign exchange transactions and conversion of SDG denominated financial records of the Sudan Operations to USD. For this purpose, the management maintains a log of such contracts.

As set out in Note 2.1, these interim condensed consolidated financial statements have been prepared under the going concern basis except for the operations of Intercel Plus Guinea S.A in Guinea-Conakry which have been prepared on breakup value basis. Operations of Intercel Plus Guinea S.A. were discontinued and the Company has been under receivership following the withdrawal of its operation license by the of Ministry of Communication of Guinea-Conakry in October 2018. Further, during February 2019, the local court also appointed administrator for the liquidation of the Intercel Plus Guinea S.A.

The economy of the Republic of Sudan is economically unstable from number of years, in February 2021, the Central Bank of Sudan floated SDG (Local Currency of Sudan) to open the market, which resulted in a devaluation of SDG against USD by 1,413%. Consequently, in 2022, the economy of the Republic of Sudan experienced hyperinflationary conditions, which was further aggravated in 2023 and 2024 due to war. These hyperinflationary economic conditions continued with devaluation of SDG against USD by 191% during the year ended December 31, 2025, and half year ended June 30, 2026. The management and the Board of Directors of the Group evaluated the adoption of IAS 29 and concluded that the adoption/restatement of the condensed consolidated financial statements as per IAS 29 will not represent the true and fair view of the operational results and financial position of the Group; therefore, IAS 29 is not adopted for the Republic of Sudan Operations, on the basis that:

- i. The Government of Sudan has not officially declared the economy of the country as Hyper Inflationary, and
- ii. No official General Price Index / Consumer Price Index (CPI) has been published for the restatement of the consolidated financial statements as per IAS 29.

SUDATEL TELECOM GROUP LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

2.3 POLITICAL UNCERTAINTY IN SUDAN

Since mid-April 2023 Sudan have been affected by the war in and around capital city Khartoum, which has adversely affected the economy and security situation of the Country. The Conflict has directly affected the Group's operations and its telecommunication assets, as Khartoum and certain other areas in Sudan continue to experience hostilities. Since the start of the war the management of the Group has been continuously monitoring the network and base station equipment particularly in areas experiencing significant downtime. Management has taken a number of mitigating actions, including reallocation of staff to secure locations, design and implementation of data center in Port Sudan, development and implementation of emergency disaster recovery capabilities, arrangement of fuel for cell sites and electronic distribution of top up vouchers through large local bank. As a result of which a significant portion of network remains available and continues to generating revenue.

The management has prepared and reviewed the financial forecasts for upcoming three years, taking into consideration most likely possible downside scenarios for the ongoing impacts of war on the business of the Group in Sudan. These forecasts were based on following key assumptions:

- i. There will be no substantial increase in the intensity of hostilities, thereby no significant adverse impact on the number of active sites.
- ii. The Group will have the capacity to conduct maintenance and repair tasks in the affected territories, ensuring a satisfactory level of network performance in regions where it is feasible while considering the physical security of technical specialists.
- iii. There will be no significant fluctuations in the fuel rate, foreign exchange rates and other major costs during the course of the conflict.
- iv. The Group will be able to ensure the uninterrupted functioning of its crucial IT infrastructure, aligning with management's implemented measures and incident response and disaster recovery plans.
- v. The revenue from services will be sufficient for the Group to meet both operating expenses and essential capital investments.

As per these forecasts, considering negative scenarios, management expects that the Group possesses adequate resources to effectively handle its operations in Sudan for the foreseeable future. The management of the Group has been constantly monitoring the situation in Sudan, including assessments related to the existence and damages to the Assets, including both Fixed Assets and Inventory of the Group located in Sudan. The management of the Group, till December 31, 2025 has assessed and recognized accumulated impairment / loss to the extent of USD 38.890 million in respect of property, plant and equipment and inventories located in Sudan. No additional war related impairment of property plant and equipment and inventory was recognized during the half year ended June 30, 2026.

Despite the ongoing war in the Republic of Sudan, the Group has managed to generate profit of USD 117.535 million during the year ended December 31, 2025 and USD 14.359 million during the half year ended June 30, 2026 although the operations of Group in Sudan are disrupted, and currently only 60% of the Network is operational.

2.4 CORRECTION OF PRIOR YEAR ERRORS

During the year 2025 accounting transaction recording errors were identified that affected the consolidated financial statements resulted in Re-Statement of 2024 comparative figures and consequently the comparative condensed consolidated statement of financial position as of June 30, 2026.

SUDATEL TELECOM GROUP LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

Accounting Transaction Recording Errors in Chinguitel S.A. Mauritania

In the financial statements of Chinguitel S.A. of Mauritania number of accounting transaction errors were identified related to wrong recording of collections and payments as settlement against receivable and payable balances without recording of related invoices in Account Receivables and Accounts Payable modules of oracle. These errors resulted in understatement of receivable and liability balances. After recording of adjustments to resolve the identified errors now receivable and payable balances reflect the accurate position of the Group as at June 30, 2025. Following is the accumulated impact of re-statements clustered in applicable consolidated financial statement line items:

Financial Statement Line Items (FSLI)	June 30, 2025 Previously reported	June 30, 2025 Re-Styled	Change
	USD million		
Retained Earnings – decrease	165.285	153.225	(12.060)
Property, plant and equipment – increase	447.212	448.558	1.346
Inventories – decrease	10.366	10.275	(0.091)
Trade and other receivables – decrease	157.437	154.114	(3.323)
Cash and bank balances – decrease	40.939	40.806	(0.133)
Trade payables and accruals – increase	288.832	296.660	(7.828)
Deferred revenue – increase	27.231	29.262	(2.031)

2.5 Lack of Exchangeability

The Group's consolidated financial statements are prepared in accordance with IAS 21, the Effects of Changes in Foreign Exchange Rates. Foreign currency transactions are initially recorded by the Group entities at the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing exchange rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction, while non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value is measured.

During the year, the Group was exposed to a jurisdiction (the Republic of Sudan) in which access to foreign currency markets was restricted and, as a result, the relevant foreign currency was not exchangeable into the Group's functional currency at the reporting date for certain transactions and balances. In accordance with IAS 21, where an observable spot exchange rate is not available due to lack of exchangeability, management applies a best-estimate exchange rate that reflects the rate at which the Group would have been able to exchange the currency at the measurement date, had exchangeability been available.

The exchange rates applied in such circumstances were determined using observable inputs to the maximum extent practicable, including official rates published by relevant authorities, cross-currency reference rates and other market-based indicators. Where necessary, management applied judgment to derive a rate that represents the underlying economic substance of the transactions and balances. The application of the estimated exchange rates resulted in foreign exchange differences being recognized in profit or loss, except where exchange differences were recognized in other comprehensive income in accordance with IAS 21.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

Management considers the determination of exchange rates in circumstances of lack of exchangeability to be a significant area of judgment. The key judgements relate to the selection of appropriate data sources and the calibration of the rate to reflect the economic conditions prevailing at the reporting date. As of the reporting date, significant monetary assets and liabilities subject to lack of exchangeability amounted to USD 67.635 million and USD 334.154 million respectively related to Sudan Operations. Exchange loss recognized in profit or loss arising from such balances during the half year ended, related to Sudan Operations amounted to USD 4.333 million.

The Group continues to actively monitor regulatory developments and market conditions in relevant jurisdictions. Any improvement or deterioration in exchangeability could have a material impact on future reported results and financial position.

The Group used the following rates for the purpose of translating its operations in the Republic of Sudan

Closing Rate	1 USD = 5,828 SDG
Average Exchange Rate	1 USD = 3,955 SDG
Cross Currency used	1 USD = AED 3.67

The source of cross-currency is based on actual financial transactions through formal financial institutions.

Due to the material devaluation of the Sudanese Pound (SDG) against the US Dollar (USD) during the second quarter of 2026, the profit or loss of the Sudan operations for the six-month period ended June 30, 2026, has been translated using the average exchange rate for the six-month period. The profit or loss for the quarter ended June 30, 2026, has been derived by deducting the profit or loss reported for the quarter ended March 31, 2026, from the profit or loss for the six-month period ended June 30, 2026, and adjusted to reverse the devaluation impact relating to the first quarter arising from the translation methodology.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. The Group assesses their revenue arrangements against specific criteria in order to determine if they are acting as principal or agent. The Group have concluded that they are acting as a principal in all their revenue arrangements.

b) Foreign currencies

The Group's interim condensed consolidated financial statements are presented in USD. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

c) Property, plant and equipment/Depreciation

Property and equipment are initially recorded at cost and subsequently are stated at cost less accumulated depreciation and any impairment in value; except for the freehold land which is recorded at the market value. Freehold land and capital work in progress are not depreciated.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	Over 15 to 40 years
• Network equipment and cables	Over 5 to 25 years
• Communication equipment	Over 5 to 25 years
• Furniture and computers	Over 5 to 10 years
• Motor vehicles	5 years
• Earth station	25 years
• Submarine cable	25 years

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial quarter of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Qualifying assets are those assets that take a substantial quarter to get ready for their intended use. The borrowing costs eligible for capitalization are the actual borrowing costs incurred on the borrowing during the year less any investment income on the temporary investment of those borrowings.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development cost, are not capitalised and expenditure is reflected in the interim condensed consolidated statement of profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

The useful lives estimated by the management for the amortisation of intangible assets are as follows:

	Number of years
Licenses	Over 15 to 21 years
Software	Over 5 to 20 years

f) Investments

Investments are initially recognized at cost being the fair value of the consideration paid including the transaction charges associated with the investment. The Group determine the classification of its investments on initial recognition.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. These are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

i) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in the interim condensed consolidated statement of profit or loss as a finance cost.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the year there were no changes in the accounting policies, also the Group has no material impact of adoption of any new standard, interpretation or amendment that has been issued but is not yet effective.

3.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future quarters.

Estimates and assumptions

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 discussed below:

- Impairment of inventories
- Impairment of non-financial assets
- Useful lives of property, plant and equipment and intangible assets
- Business combinations
- Classification of investments
- Contingent liabilities
- Fair values - unquoted equity investments and business combinations
- Zakat & Taxes
- Impairment of financial assets

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

4. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

4.1 New and amended IFRS Accounting Standards effective for the current interim period

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements for half year ended June 30, 2026 are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new and amended IFRS Accounting Standards and interpretations issued by the International Accounting Standards Board ("IASB") that are effective for annual periods beginning on or after 1 January 2026.

The adoption of these new and amended IFRS Accounting Standards and interpretations did not have a material impact on the disclosures or amounts reported in these interim condensed consolidated financial statements, unless otherwise disclosed below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New or amended IFRS Accounting Standard	Summary of requirements
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	The amendments clarify certain requirements relating to the classification and measurement of financial instruments, including the derecognition of financial liabilities settled through electronic payment systems, the assessment of contractual cash flow characteristics of financial assets with contingent features and related disclosure requirements.
Annual Improvements to IFRS Accounting Standards – Volume 11	The amendments comprise narrow-scope improvements to IFRS Accounting Standards, including amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	The amendments address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, including certain power purchase arrangements and related hedge accounting and disclosure requirements.

The above amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

4.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted

The following new and amended IFRS Accounting Standards have been issued but are not yet effective for the Group for the half year ended June 30, 2026 and have not been early adopted in preparing these interim condensed consolidated financial statements. The Group intends to apply these standards and amendments, where applicable, when they become effective.

New or amended IFRS Accounting Standard	Effective for annual periods beginning on or after
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2026

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements, with a particular focus on the statement of profit or loss. The standard introduces defined categories and subtotals in the statement of profit or loss, requirements to disclose management-defined performance measures and enhanced principles for aggregation and disaggregation of information.

The Group is currently assessing the impact of IFRS 18 on the presentation and disclosures in its consolidated financial statements.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements of other IFRS Accounting Standards. IFRS 19 is available to subsidiaries that do not have public accountability and whose ultimate or intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group is currently assessing whether IFRS 19 will be applicable to any of its subsidiaries.

Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency

The amendments to IAS 21 introduce requirements for translating amounts from a functional currency that is the currency of a non-hyperinflationary economy into a presentation currency that is the currency of a hyperinflationary economy. The amendments are intended to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary presentation currency.

The Group is currently assessing the impact of these amendments on its consolidated financial statements.

SUDATEL TELECOM GROUP LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

5 PROPERTY, PLANT AND EQUIPMENT

2026	Freehold Land	Buildings	Network equipment and cables	Communication equipment	Computers & equipment	Motor vehicles	Office furniture	Earth station	Submarine cable	Capital work-in-progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost											
As at 1 Jan 2026	183,601,456	52,317,277	537,214,752	361,396,188	23,200,261	4,045,399	10,584,592	690,406	14,206,525	142,151,101	1,329,407,957
Additions										38,259,323	38,259,323
Transfers	19,079		122,764	10,207,228	50,283	551,542	241,891	300,056		(11,492,843)	-
Disposals at cost											-
Currency translation adjustment	(70,201,517)	(17,561,685)	(70,315,168)	(134,671,240)	(8,814,260)	(723,833)	(744,329)	(990,462)	(5,431,433)	(45,872,819)	(355,326,746)
Discontinued operations		1,763,663	26,496,287	-	-	300,999	788,855	-	-	3,468,166	32,817,970
As at 30 June 2026 - Unaudited	113,419,018	36,519,255	493,518,635	236,932,176	14,436,284	4,174,107	10,871,009	-	8,775,092	126,512,928	1,045,158,504
Accumulated Depreciation											
As at 1 Jan 2026	-	(4,557,633)	(313,587,805)	(6,457,613)	(3,155,568)	(2,549,454)	(9,191,112)	(552,325)	(224,716)	-	(340,276,226)
Disposals											-
Depreciation	-	(1,547,424)	(18,118,052)	(25,351,400)	(2,108,000)	(257,103)	(370,735)		(620,646)	-	(48,373,360)
Currency translation adjustment	-	1,679,403	34,842,486	10,435,918	1,883,391	436,579	1,044,096	552,325	199,443	-	51,073,641
Discontinued operations	-	(789,947)	(26,488,013)	-	-	(284,221)	(647,814)	-	-	-	(28,209,995)
As at 30 June 2026 - Unaudited	-	(5,215,601)	(323,351,384)	(21,373,095)	(3,380,177)	(2,654,199)	(9,165,565)	-	(645,919)	-	(365,785,940)
Fixed assets impaired due to war in Sudan (note 5.1)											(8,016,378)
Net book value											
As at 30 June 2026 - Unaudited	113,419,018	31,303,654	170,167,251	215,559,081	11,056,107	1,519,908	1,705,444	-	8,129,173	126,512,928	671,356,185

5.1 The management of the Group has been constantly monitoring the war situation in the Republic of Sudan, including assessment related to existence and damages to the assets of the Group in the Republic of Sudan. By the end of Financial Year 2025, with respect to property, plant and equipment, the management has recorded accumulated charge of USD 26,993,011 including USD 2,591,989 for the year 2025, USD 7,409,457 for the year 2024 and USD 16,991,565 for the year ended 2023. No addition war losses are recognized during half year ended June 30, 2026. Due to devaluation functional currency of Sudan the accumulated value of war losses related to property, plant and equipment has been reduced by USD 18,976,633 till June 30, 2026 including exchange change impact of USD 4,961,826 for the half year ended June 30, 2026. These estimates may increase or decrease in subsequent periods as more detailed and accurate evaluation and assessment could be possible after security situation improves in war effected areas.

2025	Freehold Land	Buildings	Network equipment and cables	Communication equipment	Computers & equipment	Motor vehicles	Office furniture	Earth station	Submarine cable	Capital work-in-progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost											
As at 1 Jan 2025 - Re-Stated - refer note 31	47,762,218	28,692,313	411,815,922	144,901,643	2,412,481	3,103,414	9,232,537	1,241,340	4,348,554	134,399,336	787,909,758
Additions			729,738			118,500	31,726			159,159,408	160,039,372
Transfers		6,154,127	39,041,897	33,471,129	21,858,492	1,015,869	688,409			(102,229,923)	-
Disposals at cost						(88,761)					(88,761)
Surplus on Revaluation	157,037,161	32,416,713	74,852,412	264,892,833					12,459,003		541,658,122
Elimination of accumulated depreciation related to revalued fixed assets		(1,013,213)	(5,368,898)	(22,399,910)					(671,048)		(29,453,069)
Currency translation adjustment	(21,197,923)	(15,699,177)	(10,395,454)	(59,469,507)	(1,070,712)	(405,109)	(158,211)	(550,934)	(1,929,984)	(52,651,495)	(163,528,506)
Discontinued operations		1,766,514	26,539,135			301,486	790,131			3,473,775	32,871,041
As at 31 Dec 2025	183,601,456	52,317,277	537,214,752	361,396,188	23,200,261	4,045,399	10,584,592	690,406	14,206,525	142,151,101	1,329,407,957
Accumulated Depreciation											
As at 1 Jan 2025	-	(6,184,381)	(277,912,304)	(33,929,038)	(666,304)	(2,607,756)	(8,765,662)	(744,804)	(904,901)	-	(331,715,150)
Disposals						64,079					64,079
Depreciation		(1,456,749)	(23,758,085)	(11,557,569)	(3,346,444)	(122,678)	(65,947)	(165,919)	(201,097)		(40,674,488)
Elimination of accumulated depreciation related to revalued fixed assets		1,013,213	5,368,898	22,399,910	-	-	-	-	671,048		29,453,069
Currency translation adjustment		2,861,509	9,244,534	16,629,084	857,180	401,582	289,356	358,398	210,234		30,851,877
Discontinued operations		(791,225)	(26,530,848)			(284,681)	(648,860)				(28,255,614)
As at 31 Dec 2025	-	(4,557,633)	(313,587,805)	(6,457,613)	(3,155,568)	(2,549,454)	(9,191,112)	(552,325)	(224,716)	-	(340,276,226)
Fixed assets impaired due to war in Sudan (note 5.1)											(12,978,204)
Net book value											
As at 31 Dec 2025	183,601,456	47,759,644	223,626,947	354,938,575	20,044,693	1,495,945	1,393,480	138,081	13,981,809	142,151,101	976,153,527

5.1 The management of the Group has been constantly monitoring the war situation in the Republic of Sudan, including assessment related to existence and damages to the assets of the Group in the Republic of Sudan. By the end of Financial Year 2025, with respect to property, plant and equipment, the management has recorded accumulated charge of USD 26,993,011 including USD 2,591,989 for the year 2025, USD 7,409,457 for the year 2024 and USD 16,991,565 for the year ended 2023. Due to devaluation functional currency of Sudan the accumulated value of war lossess related to property, plant and equipment has been reduced by USD 14,014,807 as at December 31, 2025. These estimates may increase or decrease in subsequent periods as more detailed and accurate evaluation and assessment could be possible after security situation improves in war effected areas.

5.2 As at June 30, 2025 the accumulad restated cost of fixed assets was USD 833,341,273, accumulated provision for depreciation was USD 362,225,039 and value of fixed assets impaired due to war in Sudan was USD 22,558,407 leading to net fixed asset book value of USD 448,557,827.

SUDATEL TELECOM GROUP LIMITED**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026****5 PROPERTY AND EQUIPMENT (continued)**

The Group's freehold land, buildings, communication & network equipment, software and licences, related to Sudan are stated at their revalued amounts, evaluated by the independent valuer, being the fair value at December 31, 2025, less applicable depreciation / amortization and impairment losses as at June 30, 2026. The Group intend to carry out revaluation exercise in 2 to 5 years intervals.

The fair value of the freehold land was determined based on fair value basis, comparable and residual method and the fair value of buildings, communication and network equipment and software and licenses was determined using replacement cost and fair value method, in accordance with IFRS. The Group intends to carry out revaluation exercise in 3 to 5 years intervals.

Details of the Group's freehold land, buildings, communication and network equipment, software and licenses and information about the fair values are as follows:

	FV as at June 30, 2026 USD	FV as at December 31, 2025 USD
- Freehold land	113,419,018	183,601,456
- Buildings	31,303,654	47,759,644
- Communication equipment	215,559,081	354,938,575
- Network equipment and cables	170,167,251	223,626,947
- Earth station	-	138,081
- Submarine cable	8,129,173	13,981,809
	538,578,177	824,046,512

Freehold land and building with carrying value amounting to USD 0.8 million (December 31, 2025: USD 0.8 million) are held under Murabaha and Finance Lease agreement.

Network equipment with carrying value amounting to USD 6.95 million (December 31, 2025: USD 6.95 million) are subject to a first charge guarantee to secure the Murabaha finance.

Depreciation has been allocated in the consolidated statement of profit or loss as follows:

	June 30, 2026 USD	June 30, 2025 USD
Operating expenses	44,090,098	18,841,590
General and administration expenses (Note 25)	4,283,262	1,006,587
	48,373,360	19,848,177

SUDATEL TELECOM GROUP LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026
6 INTANGIBLE ASSETS
2026
Cost
As at 1 Jan 2026 - Audited
Additions
Exchange adjustments
Discontinued operations
As at 30 June 2026 - Unaudited
Accumulated Amortization
As at 1 Jan 2026 - Audited
Amortisation
Exchange adjustments
Discontinued operations
As at 31 June 2026 - Unaudited
Net book value:
As at 30 June 2026 - Unaudited
Cost
As at 1 Jan 2025 - Audited
Additions
Surplus on Revaluation
Elimination of accumulated amortization related to revalued intangible assets
Exchange adjustments
Discontinued operations
As at 31 Dec 2025 - Audited
Accumulated Amortization
As at 1 Jan 2025 - Audited
Amortisation
Elimination of accumulated amortization related to revalued intangible assets
Exchange adjustments
Discontinued operations
As at 31 Dec 2025 - Audited
Net book value:
As at 31 Dec 2025 - Audited

	Software	License	Total
	USD	USD	USD
As at 1 Jan 2026 - Audited	3,398,425	371,406,841	374,805,266
Additions	-	23,569,445	23,569,445
Exchange adjustments	(1,299,285)	(68,731,209)	(70,030,494)
Discontinued operations	-	22,629,960	22,629,960
As at 30 June 2026 - Unaudited	2,099,140	348,875,037	350,974,177
As at 1 Jan 2026 - Audited	(1,151,608)	(149,822,847)	(150,974,455)
Amortisation	(221,201)	(31,644,275)	(31,865,476)
Exchange adjustments	511,364	31,953,190	32,464,554
Discontinued operations	-	(22,628,747)	(22,628,747)
As at 31 June 2026 - Unaudited	(861,445)	(172,142,679)	(173,004,124)
As at 30 June 2026 - Unaudited	1,237,695	176,732,358	177,970,053
As at 1 Jan 2025 - Audited	1,778,121	277,013,010	278,791,131
Additions	2,097,053	6,472,477	8,569,530
Surplus on Revaluation	345,903	98,779,867	99,125,770
Elimination of accumulated amortization related to revalued intangible assets	(33,483)	(6,181,532)	(6,215,015)
Exchange adjustments	(789,169)	(27,343,537)	(28,132,706)
Discontinued operations	-	22,666,556	22,666,556
As at 31 Dec 2025 - Audited	3,398,425	371,406,841	374,805,266
As at 1 Jan 2025 - Audited	(238,150)	(142,948,412)	(143,186,562)
Amortisation	(417,043)	(17,124,260)	(17,541,303)
Elimination of accumulated amortization related to revalued intangible assets	33,483	6,181,532	6,215,015
Exchange adjustments	(529,898)	26,733,634	26,203,736
Discontinued operations	-	(22,665,341)	(22,665,341)
As at 31 Dec 2025 - Audited	(1,151,608)	(149,822,847)	(150,974,455)
As at 31 Dec 2025 - Audited	2,246,817	221,583,994	223,830,811

- 6.1 As at June 30, 2025 the accumulated cost of Intangible Assets was USD 281,139,017 accumulated amortization was USD 158,043,895 leading to net book value of Intangible Assets was USD 123,095,122.

SUDATEL TELECOM GROUP LIMITED**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026****6 INTANGIBLE ASSETS (Continued)**

Intangible assets include operator licenses that have been granted for a period of 15 to 21 years by the relevant government agencies with the option of renewal at the end of the license period subject to applicable conditions. The Group's operating licenses, related to Sudan are stated at their revalued amounts, evaluated by the independent valuer, being the fair value at the date of revaluation, less any amortization as at June 30, 2026. The valuation was performed as at December 31, 2025 using combination of market and cost approaches as applicable. The Group intends to carry out revaluation exercise in 3 to 5 years intervals.

Amortisation has been allocated in the consolidated statement of profit or loss as follows:

	Half Year Ended	
	Unaudited	
	Unaudited	Unaudited
	June 30, 2026	June 30, 2025
	USD	USD
Operating expenses	31,644,275	8,032,046
General and administration expenses (note 25)	221,201	52,504
	31,865,476	8,084,550

Details of the licenses as at June 30, 2026 are as follow:

	Type	Date granted/ renewed	Term
Republic of the Sudan	700 MHz	2026	3 years
Republic of the Sudan	800 MHz	2023	10 years
Republic of the Sudan	850, 900, 1800 MHz	2006	21 years
Republic of Senegal	800, 900, 1800, 2100 MHz	2007	20 years
Islamic Republic of Mauritania	800, 900, 1800, 2100 MHz	2006	15 years
Guinea Conakry	900 MHz	2006	13 years

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7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's interest in associates and joint ventures is accounted for using the equity method in the consolidated financial statements. The following table illustrates the changes in the Group's investments in associates and joint ventures:

	Associated Companies			Joint Ventures			Total
	Arab Submarine Cables Company Limited	Electronic Banking Services	Al Gadida Asima Services Company Limited	Sudani Fintech Services Ltd	Sudasat Company	Dolphin Telecommunications JLT	
	USD			USD			
As at 1 Jan 2025 - Audited	4,030,057	205,886	44,035	-	-	4,316,545	8,596,523
Other equity movements	(895,499)	(205,886)	(53,117)	16,667	-	(5,919,554)	(7,057,389)
Share of profit / (loss)	731,202	-	9,099	-	-	1,603,009	2,343,310
As at 31 Dec 2025 - Audited	3,865,760	-	17	16,667	-	-	3,882,444
Shareholding %	50%	30%	60%	60%	60%	60%	
Other equity movements	(2,031,805)	-	(6,898)	(6,372)	-	-	(2,045,075)
Share of profit / (loss)	553,849	-	6,892	-	-	-	560,741
As at 30 June 2026 - Unaudited	2,387,804	-	11	10,295	-	-	2,398,110
Shareholding %	50%	30%	60%	60%	60%	60%	

7.1 As at June 30, 2025 the book value of Investments in associates and joint ventures was USD 8,761,812.

8 OTHER FINANCIAL ASSETS

	Financial assets at Fair value through profit or loss / Other Comprehensive Income				
	Shama	Shahama	Quoted	Other Investments	Total
	USD	USD	USD	USD	USD
As at 1 Jan 2025 - Audited	2,997	1,790	15,613	37,688	58,088
Addition net					-
Exchange adjustments	(1,330)	(793)	(7,926)	(369)	(10,418)
As at 31 Dec 2025 - Audited	1,667	997	7,687	37,319	47,670
Addition net	-	-			-
Exchange adjustments	(638)	-	(3,319)	(171)	(4,128)
As at 30 June 2026 - Unaudited	1,029	997	4,368	37,148	43,542

8.1 As at June 30, 2025 the book value of other financial assets was USD 53,048.

8.2 Shama and Shahama certificates which will mature at less than twelve months of the statement of financial position date and earn an average profit of 13.30% (2025: 13.30%) Shahama & 17.00 % (2025: 17.00 %) for Shama and all will mature in this year.

8.3 Other investments are carried at cost because the fair value cannot be determined with sufficient reliability due to the unpredictable nature of future cash flows and the absence of other reliable methods of valuation.

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9 DEFERRED TAX ASSET

This deferred tax asset is related to Corporate Tax Losses accumulated till June 30, 2026 in Expresso Telecom Group Limited, Dubai, United Arab Emirates, subsidiary of Sudatel Telecom Group Limited. The working of which is follows:

	Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
	USD	USD	USD
Expresso Telecom Group Limited			
Dubai - United Arab Emirates			
Carried forward tax base	(61,070,184)	-	-
Profit / (loss) before tax	(5,805,673)	(67,039,271)	-
Add: Non-deductable expenses	5,401,149	7,572,087	-
Less: Exempt income	-	(1,603,000)	-
Tax base	(61,474,708)	(61,070,184)	-
Tax at the applicable rate of 9%	(5,532,724)	(5,496,317)	-

	Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
	USD	USD	Re-stated USD
10 INVENTORIES			
Modem, handsets and accessories	5,498,282	4,338,731	8,150,722
SIM & scratch cards and others	344,547	354,010	1,774,883
Spare parts and other materials	1,562,994	361,543	3,907,701
Transmission cables and materials	775,876	536,223	451,866
	8,181,699	5,590,507	14,285,172
Provision for slow moving and obsolete inventories	-	-	(588,101)
Provision for wartime lost inventory	(932,086)	(1,501,775)	(3,421,533)
	7,249,613	4,088,732	10,275,538

- 10.1** The management of the Group has been constantly monitoring the war situation in the Republic of Sudan, including assessment related to existence and damages to the inventory of the Group in the Republic of Sudan. By the end of Financial Year 2025, with respect to the inventory, the management has recorded accumulated charge of USD 11,897,198 for the years 2023 to 2025. Out of this charge, inventory having value USD 8,338,905 has already been written. Due to devaluation of functional currency of Sudan the accumulated value of war lossess related to the inventory has been reduced by USD 2,626,207 till June 30, 2026 including exchange change impact of USD 569,688 for the half year ended June 30, 2026. These estimates may increase or decrease in subsequent periods as more detailed and accurate evaluation and assessment could be possible after security situation improves in war effected areas.

	Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
	USD	USD	Re-stated USD
11 TRADE AND OTHER RECEIVABLES			
Trade debtors	110,146,256	117,484,345	133,221,510
Loss allowance	(16,726,401)	(18,700,507)	(17,821,673)
	93,419,855	98,783,838	115,399,837
Advances paid to suppliers	24,982,987	14,278,539	28,833,198
Prepaid Rent	238,741	302,407	161,271
Advances to staff under vehicle ownership scheme	206,775	473,980	578,734
Advances paid to staff loans and others	4,262,163	4,088,080	4,622,508
Security deposits	-	-	343,252
Related party receivables	4,744,355	10,843,149	4,175,504
	127,854,876	128,769,993	154,114,304

- 11.1** This represents advances given to qualifying employees of the Group under vehicle ownership scheme. The employees are given advance to procure vehicles which could be transferred in their name after successful completion of two years of qualifying service. 40% cost of the vehicle is borne by the Company and 60% by employee which is deducted from monthly pay of the employee over 2 years period.

SUDATEL TELECOM GROUP LIMITED**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****FOR THE HALF YEAR ENDED JUNE 30, 2026****12 TERM DEPOSITS**

These represent deposits placed with Sudanese Banks according to commercial rates. These deposits are subject to collateral against a guarantee given to a vendor.

	Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
	USD	USD	Re-stated USD
Opening balance	30,186	37,330	37,330
Addition	-	-	-
Redemption	-	-	-
Exchange adjustment	(9,993)	(7,144)	1,510
Closing balance	20,193	30,186	38,840

13 CASH AND BANK BALANCES

Cash on hand		1,115,887	1,479,496	515,398
Local current account		22,590,034	39,338,602	29,052,217
Foreign current account	13.1	19,055,935	6,708,296	11,238,100
		42,761,856	47,526,394	40,805,715

13.1 These are non-interest bearing, maintained with different banks that are denominated in foreign currency.

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		Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
		USD	USD	USD
14	SHARE CAPITAL AND RESERVES			
	<i>Share Capital</i>			
	Number of authorised (Ordinary shares of USD 1 each)	QTY	2,500,000,000	2,500,000,000
	Issued and fully paid up (Ordinary shares of USD 1 each)		1,388,691,077	1,388,691,077
15	LOANS AND BORROWINGS			
	Vendor finance	15.1	24,552,845	37,305,362
	Bank finance		35,659,088	28,658,432
	CDB - Bank finance - principle amount	15.2	172,777,115	173,000,484
	CDB - Bank finance - CDB loan finance cost payable	15.3 & 18.1	88,459,725	88,574,044
	CDB - Bank finance - Total		261,236,840	261,574,528
	Bank finance - Total		321,448,773	327,538,322
	Less: Payments made to the Guarantor of CDB Loan	15.4	(39,671,941)	(10,773,050)
			281,776,832	316,765,272
	<i>Current</i>			
	Current portion of loans and borrowings		49,122,714	90,270,017
	<i>Non-current</i>			
	Non-current portion of loans and borrowings		232,654,118	226,495,255
			281,776,832	316,765,272
15.1	This relates to Equipment Supply Contract between the Group and Huawei Technologies Co. Ltd for implementation of Sudatel Network Resilience Project for Sudan. As per this contract Huawei Technologies Co. Ltd is providing vender financing, according to which 25% of the invoice amount is paid on delivery and submission of invoices, whereas, balance is payable in 4 equal instalments spread over 24 months from delivery of shipping documents. The finance cost related to vendor financing is implicit in the invoices raised by Huawei Technologies Co. Ltd under the contract and capitalized along with the Project.			
15.2	This relates largely to long and medium terms foreign and local currency loans. The tenors of these range between 2 and 5 years and interest rates range between 4.9% and 17.34%. The largest loan is from China Development Bank (CDB) with a balance equivalent to Euro 228 million, including balance of principal and related accrued finance cost as at August 31, 2025, as confirmed by CDB in formal communication with the Group. In accordance with the loan agreement with CDB the Group is in default since no principal and / or interest payments has been made to CDB since November 2017. The management has been negotiating the restructuring of the loan with CDB the terms of are not finalized yet. During the year CDB also communicated with the guarantor of the loan for recourse. In response of this communication the Group and the guarantor of the loan has agreed on five year repayment term, but this is not formally agreed by CDB. This amount is denominated in Euro as per the loan agreement with CDB. The amount is decreased as compared to December 31, 2025 balance by USD 223,369 due to foreign exchange parity changes between Euro and USD during the half year ended June 30, 2026.			
15.3	This amount is denominated in Euro as per the loan agreement with CDB. The amount is decreased as compared to December 31, 2025 balance by USD 114,319 due to foreign exchange parity changes between Euro and USD during the half year ended June 30, 2026.			
15.4	During 2025 the Group and the guarantor of CDB loan formally executed an agreement for repayment of CDB loan to the guarantor in 60 equal instalments starting from October 2025. The repayments are denominated in SDG at the official exchange rate applicable on October 1 of each year. Under this agreement the guarantor of the loan has taken the responsibility to make onward repayments to CDB. The Group and the guarantor has communicated to CDB about this agreement, formal acknowledgement and concurrence is awaited. This amount represent 3 monthly instalments paid in 2025 and 6 monthly instalments paid during half year ended June 30, 2026 by the Group to the guarantor. The accumulated amount of payments made to the Guarantor in the half year ended has increased as compared to December 31, 2025 balance, due to application of central bank of Sudan EURO exchange rate, which is used for disbursement of monthly repayments in SDG as per agreement with the Guarantor till September 30, 2026.			

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		Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
		USD	USD	Re-stated USD
16	TRADE PAYABLES AND ACCRUALS			
	Trade creditors	81,745,985	100,670,177	132,624,944
	Accrued expenses	17,284,219	11,140,067	14,419,688
	Spectrum license fees payable	28,051,966	29,455,918	42,687,699
	Provision for regulatory fees	15,275,601	22,016,698	35,131,043
	Unclaimed dividends	43,075,380	44,212,938	49,048,193
	Dealer commission payable	1,060,867	1,994,211	2,626,849
	Postpaid subscriber security deposit	1,322,376	1,793,101	1,888,555
	VAT payable	2,013,755	5,320,791	4,022,983
	Provision for employee bonus	3,398,581	6,002,661	5,631,666
	Related party payables	91,943	57	612,970
	Other liabilities	1,226,699	1,991,513	7,965,863
		194,547,371	224,598,132	296,660,453
	Less: Non current portion	(20,802,620)	(14,070,439)	(29,087,940)
		173,744,751	210,527,693	267,572,513

- 16.1 This relates to balance of cost of acquisition of additional spectrum by the Group's Sudan operation, in 2024, for total cost of USD 97.5 million. Originally the cost of spectrum acquisition was denominated in USD, but subsequently, as per agreement between Telecommunication Regulatory Authority, Ministry of Finance and the Group the spectrum liability was converted into SDG. As per agreed payment schedule this liability will be fully paid by December 31, 2027.

		Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
		USD	USD	USD
16.2	Unclaimed dividends			
	Opening balance			
	-Khartoum Stock Exchange Shareholders	35,980,717	36,299,721	36,299,721
	-Abu Dhabi Stock Exchange Shareholders	8,232,221	6,204,848	6,204,848
	Total	44,212,938	42,504,569	42,504,569
	Declared during the period			
	-Khartoum Stock Exchange Shareholders	-	4,598,518	4,598,518
	-Abu Dhabi Stock Exchange Shareholders	-	3,401,482	3,401,482
	Total	-	8,000,000	8,000,000
	Paid during the period			
	-Khartoum Stock Exchange Shareholders	(1,137,558)	(4,917,522)	(82,267)
	-Abu Dhabi Stock Exchange Shareholders	(1,137,558)	(1,374,109)	(1,374,109)
	Total	(1,137,558)	(6,291,631)	(1,456,376)
	Closing balance			
	-Khartoum Stock Exchange Shareholders	35,980,717	35,980,717	40,815,972
	-Abu Dhabi Stock Exchange Shareholders	7,094,663	8,232,221	8,232,221
	Total	43,075,380	44,212,938	49,048,193

- 16.2.1 The above balances of unclaimed dividends is related to shares traded on Khartoum Stock Exchange and Abu Dhabi Stock Exchange. The dividend payable for shares listed on Khartoum Stock Exchange are paid once dividend is claimed by the shareholder from the Group, following the standard dividend payment process. The dividend payable for shares listed on Abu Dhabi Stock Exchange are disbursed through Abu Dhabi Stock Exchange, based on applicable shareholding of individual shareholders at the time of disbursement of dividend.

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	Notes	Quarter Ended		Half Year Ended	
		Unaudited		Unaudited	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		USD	USD	USD	USD
22 PROFIT FROM INVESTMENTS AND DEPOSITS					
Fixed deposits		3,754	24,821	46,228	52,631
Investment funds		-	138	-	277
Related party interest income		-	614,849	-	614,849
		<u>3,754</u>	<u>639,808</u>	<u>46,228</u>	<u>667,757</u>
23 OTHER OPERATING LOSS					
Exchange gain/(loss)	23.1	774,306	(21,283,271)	(4,433,965)	(24,808,745)
Provision for bad debts		(1,011,631)	-	(1,011,631)	-
Miscellaneous income		144,767	150,562	412,016	124,788
		<u>(92,558)</u>	<u>(21,132,709)</u>	<u>(5,033,580)</u>	<u>(24,683,957)</u>

23.1 The exchange gain/(loss) for the period is mainly impacted due to application of central bank of Sudan EURO exchange rate, which is used for disbursement of monthly repayments to the Gurarantor of the CDB Loan, in SDG as per agreement with the Guarantor till September 30, 2026.

	Notes	Quarter Ended		Half Year Ended	
		Unaudited		Unaudited	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		USD	USD	USD	USD
24 MARKETING AND SELLING EXPENSES					
Marketing & advertisement		1,649,872	1,291,404	3,215,470	2,204,557
Business promotion		905,553	577,621	1,517,538	958,584
Sales & distribution		245,547	37,140	433,112	47,774
		<u>2,800,972</u>	<u>1,906,165</u>	<u>5,166,120</u>	<u>3,210,915</u>
25 GENERAL AND ADMINISTRATIVE EXPENSES					
Salaries & wages		14,054,919	11,535,110	27,780,742	22,081,540
Depreciation of property, plant and equipment	5	2,189,677	336,844	4,283,262	1,006,587
Amortization	6	110,601	26,179	221,201	52,504
Repairs, maintenance & utilities		1,758,376	206,485	2,624,268	408,526
Corporate social responsibility		200,790	103,927	360,699	322,961
Traveling and transport		742,453	814,298	1,397,095	1,442,901
Rental expense		611,050	729,709	1,255,978	1,120,276
Consumables & stationary		367,293	154,248	501,385	216,292
Legal and other consultancy charges		958,371	341,305	1,305,369	548,896
Audit expense		119,002	96,646	214,920	226,633
Business premises security		297,211	170,783	480,164	255,940
Entertainment expenses		76,632	82,227	169,628	150,177
Insurance fee		78,948	25,994	86,169	31,375
Training expenses		224,327	91,866	297,704	201,462
Bank charges		360,731	246,938	483,595	279,313
Board member expenses	25.1	60,266	-	661,070	-
Other administrative expenses		162,031	261,201	678,704	1,052,838
		<u>22,372,678</u>	<u>15,223,760</u>	<u>42,801,953</u>	<u>29,398,221</u>

25.1 Remuneration for the Board of Directors of the Group is approved to compensate the Directors for significant responsibilities and risks entrusted in them, and align director's interests with those of shareholders.

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26 DISCONTINUED OPERATIONS

The operations of Intercel Plus Guinee S.A in Guinea-Conakry which have been prepared on breakup value basis. During 2018, the operations of Intercel Plus Guinee S.A. were discontinued as per instructions of Ministry of Communication of Guinea-Conakry dated October 19, 2018. Further, during February 2019, the local court also appointed administrator for the liquidation of the Intercel Plus Guinee S.A.. The liquidation is still on-going until the end of the half year ended.

The major classes of assets and liabilities of Operation in Guinea at the date of disposal are as follow:

	Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2025
	USD	USD	USD
ASSETS			
Property, plant and equipment	4,607,975	4,615,427	4,668,063
Intangible assets	1,214	1,215	1,229
Other financial assets	382,032	382,650	387,014
Trade and other receivables	1,559,332	1,561,854	1,579,666
Cash and bank balances	19,950	19,982	20,210
Assets classified as held for sale	6,570,503	6,581,128	6,656,182
Liabilities			
Loans and borrowings from the Parent	67,147,176	67,255,763	68,861,890
Loans and borrowings	33,062	33,116	33,493
Accounts payable and accruals	18,590,155	18,620,218	18,832,571
Liabilities directly associated with assets classified as held for sale	85,770,393	85,909,097	87,727,954
Net assets directly associated with disposal group	(79,199,890)	(79,327,969)	(81,071,772)
Non-controlling interests	(22,175,696)	(22,211,831)	(22,465,144)
Share of equity attributable to Parent	(57,024,194)	(57,116,138)	(58,606,628)
Foreign exchange translation reserve	(11,521,373)	(11,429,157)	(10,777,782)

During the half year ended there has been no change in the status, assets and liabilities of the discontinued operation, except for impact related to exchange difference.

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The Group has divided its main operations into domestic and foreign (international) operations.

The following table shows the information according to Group operations for:

<u>2026 - Unaudited</u>	Domestic	Foreign						Foreign Sub Total	STG Group Total
	Sudan	Senegal	Mauritania	Guinea Conakry	Oman	Qatar	UAE		
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Operating revenue 30 June 2026	220,835,136	26,008,596	25,204,189	-	-	-	6,841,750	58,054,535	278,889,671
Profit / (loss) after zakat and tax 30 June 2026	35,469,330	(8,540,926)	(6,941,980)	-	(24,977)	(17,424)	(5,585,003)	(21,110,311)	14,359,019
Total assets 30 June 2026	593,631,633	184,385,988	174,710,576	6,570,503	46,100,328	59,628	36,298,999	448,126,022	1,041,757,655

The following table shows the information according to Group operations for:

<u>2025 - Unaudited</u>	Domestic	Foreign						Foreign Sub Total	STG Group Total
	Sudan	Senegal	Mauritania	Guinea Conakry	Oman	Qatar	UAE		
	USD	USD	USD	USD	USD	USD	USD		USD
Operating revenue 30 June 2025	161,536,287	28,000,308	20,549,777	-	-	-	4,763,802	53,313,887	214,850,174
Profit / (loss) after zakat and tax 30 June 2025	51,189,770	(3,205,940)	(3,902,006)	-	-	-	(4,556,543)	(11,664,489)	39,525,281
Total assets 30 June 2025 - Re-Stated	388,860,211	217,282,168	138,224,258	6,656,182	-	-	41,335,569	403,498,177	792,358,388

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28 COMMITMENTS AND CONTINGENCIES

Commitments:

Capital expenditure

Estimated capital expenditure contracted at the balance sheet date amounted to USD 148.31 million (December 31, 2025: USD 10.0 million).

Letters of credit

The commitments on outstanding letters of credit are USD 75 million (December 31, 2025: 0.0 million)

Contingencies:

The Group has committed to provide the necessary financial support to its joint ventures and subsidiaries to enable them to continue their operations and to meet their obligations as they fall due. Further, the Group has committed not to demand any payment on its loan to the subsidiaries within the next 12 months.

There are contingencies to the extent of USD 21.85 million as at June 30, 2026, related to claims from parties which are in due legal process, for which management is of the view that these are not payable by the Group.

29 RELATED PARTY TRANSACTIONS / BALANCES

Related parties represent major shareholders, directors, associates and key management personal of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's Board of Directors.

The related party balances included in the consolidated statement of financial position are as follows:

		Unaudited	Audited
		June 30, 2026	December 31, 2025
	Relationship with the Group	USD	USD
<u>Related party receivable</u>			
<i>Ahmed Baba EMR</i>	Minority interest	3,995,055	3,995,055
<i>Sudasat Company</i>	Joint Venture	86,781	140,495
<i>Electronic Banking Services</i>	Associated Company	6,639	7,889
<i>Sudani Fintech Services Company Limited</i>	Joint Venture	655,880	276,989
<i>Expresso Digital LLC - NEW</i>	Subsidiary	-	6,422,721
		4,744,355	10,843,149
<u>Related party payable</u>			
<i>Arab Submarine Cables Company Limited</i>	Associated Company	(91,804)	169
<i>Al Gadida Asima Services Company Limited</i>	Associated Company	(139)	(226)
		(91,943)	(57)

In the normal course of business, the Group provides telecom services to certain Government organizations at the normal commercial terms. Similarly, the Group receives services such as electricity and other infrastructure support from certain Government organizations at normal commercial terms. However, in the management's view, these services are not material in the overall context of these consolidated financial statements.

The expenses incurred by the Group with respect to Board of Directors. The Group approved to compensate the Directors for significant responsibilities and risks entrusted in them, and align director's interests with those of shareholders.

	Unaudited	Unaudited
	June 30, 2026	June 30, 2025
	USD	USD
Board member expenses	661,070	-

The expenses incurred by the Group in respect of key management personnel are set out below:

	Unaudited	Unaudited
	June 30, 2026	June 30, 2025
	USD	USD
Short term employee benefits	791,421	1,439,435
Post-employment benefits	263,063	431,766
	1,054,484	1,871,201

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FOR THE HALF YEAR ENDED JUNE 30, 2026

30 SUBSEQUENT EVENTS

The management of the Group has evaluated events occurring between June 30, 2026 and July 28, 2026, the date on which these interim condensed consolidated financial statements were authorized for issue by the Board of Directors. The Group continues to monitor the ongoing conflict in Sudan, restrictions on foreign currency exchangeability, liquidity and financing arrangements, network performance and the broader economic conditions affecting its operations. In the opinion of the management of the Group, there have been no significant subsequent events since June 30, 2026, that require adjustment to, or disclosure in, these interim condensed consolidated financial statements.

31 RESTATEMENT AND RECLASSIFICATION OF PRIOR YEAR PRESENTATION

As stated in note 2.4 of the consolidated financial statements, in the financial statements of Chinguitel S.A. of Mauritania number of accounting transaction errors were identified related to wrong recording of collections and payments as settlement against receivable and payable balances without recording of related invoices in Accounts Receivable and Accounts Payable modules of oracle. These errors resulted in understatement of receivable and liability balances. After recording of adjustments to resolve the identified errors now receivable and payable balances reflect the accurate position of the Group as at June 30, 2025. Following is the accumulated impact of re-statements clustered in applicable condensed consolidated financial statement line items:

	June 30, 2025 Prior to Adjustment	June 30, 2025 Adjusted	Difference
	USD	USD	USD
Retained Earnings – decrease	165,285,304	153,224,822	(12,060,482)
Property, plant and equipment - increase	447,212,024	448,557,827	1,345,803
Inventories - decrease	10,366,277	10,275,538	(90,739)
Trade and other receivables - decrease	157,436,837	154,114,304	(3,322,533)
Cash and bank balances - decrease	40,939,041	40,805,715	(133,326)
Trade payables and accruals - increase	288,832,183	296,660,453	(7,828,270)
Deferred revenue - increase	27,231,022	29,262,439	(2,031,417)

Specific comparative figures have been reclassified/regrouped, wherever necessary, as to conform to the presentation adopted in these consolidated financial statements.