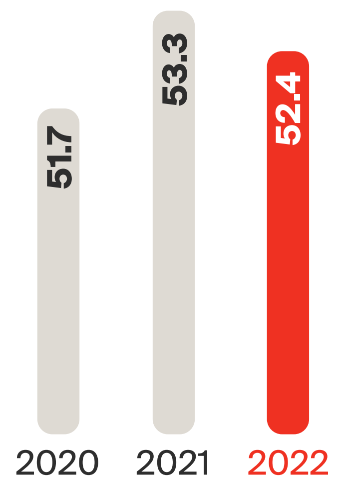
Annual Report

2022

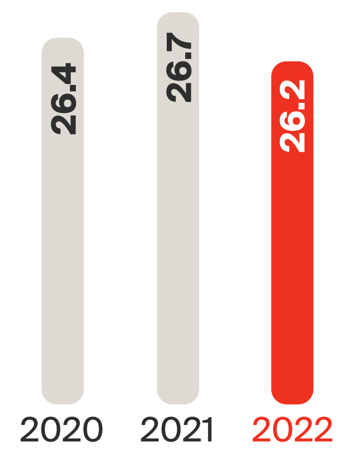
accelerate&transform

2022
At a Glance

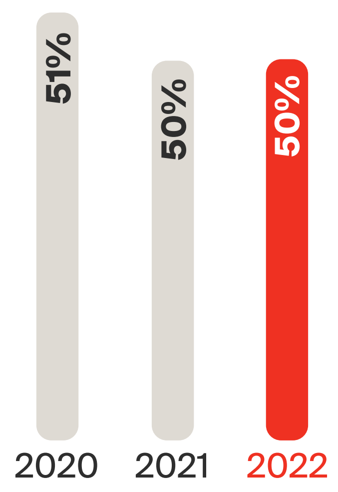
Financial Highlights



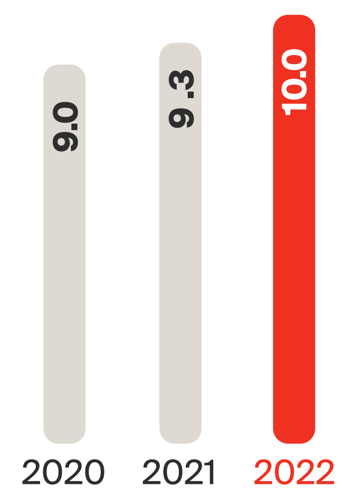
Revenue[1]
(AED billion)



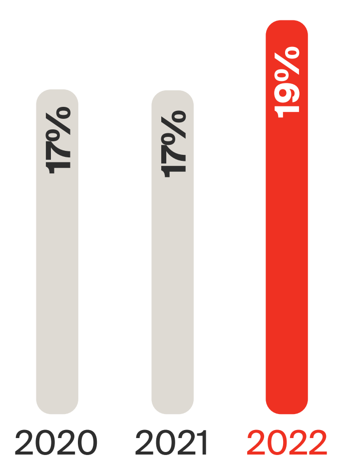
EBITDA[2]
(AED billion)



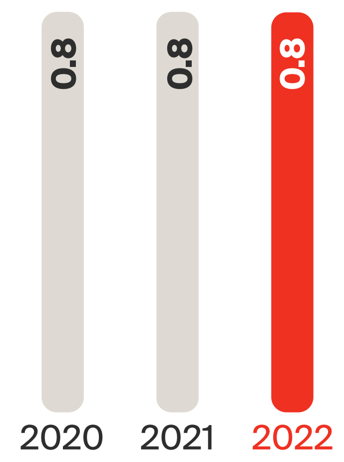
EBITDA Margin
(%)



Net Profit
(AED billion)



Net Profit Margin
(%)



Dividend Per Share[3]
(AED)

52.4
AED Billion
Revenue

26.2
AED Billion
EBITDA

50
%
EBITDA Margin

10.0
AED Billion
Net Profit

1.15
AED
Earning Per Share

80
Fils
Dividend Per Share

8.0
AED Billion
Capex

18.2
Billion
Free Cash Flow

35
%
Free Cash Flow Margin

[1]Revenue increased by 4.7% year-on-year in constant currency in FY 2022
[2]EBITDA increased by 3.7% year-on-year in constant currency in FY 2022
[3]For the year 2020, in addition to the Common DPS, a one-time special dividend of 40 fils per share was paid

About e&

Since 1976, we have pioneered new technologies and brought these to new people and new places. First as the Emirates' telephone company, today as the technology and investment group, e& (previously known as Etisalat Group).

Established in Abu Dhabi, the Group provides innovative digital solutions, smart connectivity and next-generation technologies to a variety of customer segments including 163 million subscribers in 16 countries across the Middle East, Asia and Africa. With consolidated net revenue of AED 52.4 billion and net profit of AED 10.0 billion for 2022, its high credit ratings reflect the Group's strong balance sheet and proven long-term performance.

e& in Numbers

16 countries and 2 continents

We operate in 16 countries across the Middle East, Asia and Africa.

47 years of experience

We started over four decades ago in the UAE as the country's first telecommunications provider.

163 million subscribers

We provide innovative solutions and services to 163 million subscribers.

Awards and Recognitions

Recognition fuels our ambition to go even further

e&

Brand Finance
Most Valuable Portfolio of Telecom Brands in MEA (Middle East and Africa)

Brand Finance
Strongest Telecom Brand in MEA

Forbes
World's Best Employers List

HRSE Future Workplace Awards
Employer of the Year

CIPD Middle East People Awards
Best Recruitment & Talent Management Strategy

Telecoms Worlds Awards
Best Regional Wholesale Carrier

etisalat by e&

Telecom Review ME
Best Middle East Operator

Kantar BrandZ
Most Valuable Emirati Brand

e& international

OpenSignal
Maroc Telecom: Best Internet Experience in Morocco

OpenSignal
Ufone (an operating company of PTCL): Leading 4G Services Provider in Pakistan

e& enterprise

IDC MarketScape
e& enterprise iot&ai: Leader in IoT Consulting and Systems Integration Services

Frost & Sullivan
Help AG: UAE Company of the Year Award in the Security Operations Centre Services Industry

MEA Finance
Help AG: Best Cybersecurity Provider

MEA Finance
UAE Trade Connect: Best Analytics Solution Provider

e& life

MENA Fintech Association
e& money: Best MENA Wallet

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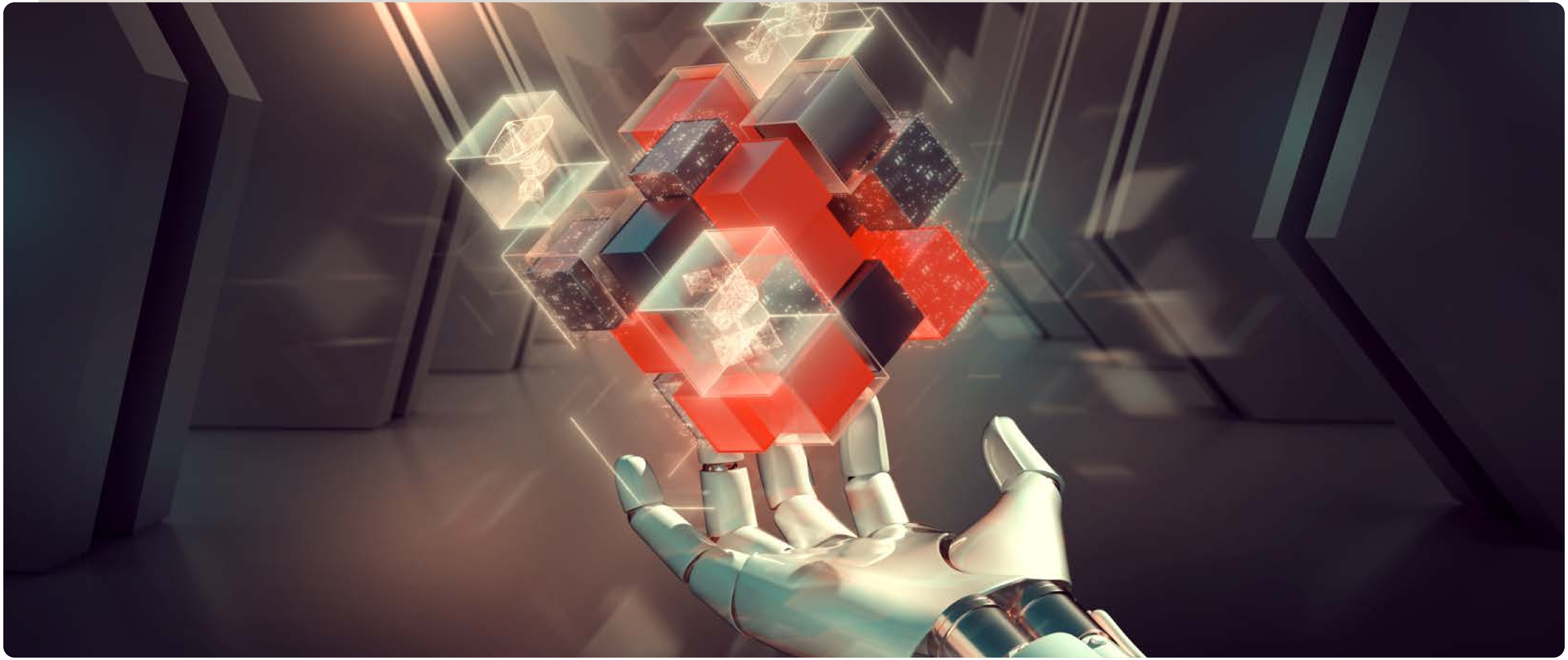
Overview



Our Journey

For 47 years, e& has pushed the boundaries of telecommunications and technology to bring market-leading products and services to our customers while continuously extending our international footprint and building a global brand.

1976
- Emirates Telecommunication Corporation is founded

1982
- Emirates Telecommunications Corporation launches Middle East's first mobile network

1983
- The ownership structure changes with the United Arab Emirates Government owning a 60% share in the Company and the remaining 40% publicly traded

1994
- The Middle East's first GSM service is introduced in the UAE
- e& launches Emirates Data Clearing House, which is now one of the world's leading clearing houses providing a complete solution to GSM operators to offer roaming facilities to their customers

1995
- Internet services are rolled out across the country, another first in the region

1996
- e& becomes one of the founding investors in satellite telecommunications provider, Thuraya

1999
- The Middle East's first broadband internet service using the latest ADSL technologies is introduced

2000
- e& introduces the Evision brand for its cable TV services

2003
- e& launches the Middle East's first 3G network

2004
e& wins the second license in Saudi Arabia, introducing Etihad Etisalat Company (Mobily)

2005
- e& acquires a stake and takes management control of Pakistan Telecommunication Company Limited (PTCL), the incumbent fixed operator in Pakistan
- e& expands into West Africa by taking a stake in Atlantique Telecom with operations in Benin, Burkina Faso, the Central African Republic, Gabon, Ivory Coast, Togo and Niger

2006
- e& wins the third mobile license in Egypt and launches the country's first 3G network
- Etisalat awarded a license to provide mobile services in Afghanistan
- Etisalat Services Holding is formed to manage eight business units that offer mission-critical telecommunication related services

2008
- e& completes the roll out of a nationwide fibre optic backbone in the UAE

2009
- e& acquires Tigo, a Sri Lankan operator, which later rebrands to Etisalat Lanka

2011
- e& introduces 4G (LTE) experience to its customers in the UAE

2012
- e& wins 3G license in Afghanistan and Ivory Coast and launches the first 3G services in Afghanistan

2014
- e& completes the acquisition of a 53% shareholding in Maroc Telecom Group (MT Group) from Vivendi
- e& successfully issues its inaugural bond under its Global Medium-Term Note (GMTN) programme listed on the Irish Stock Exchange

2015
- The Group completes the sale of its operations in Benin, Central African Republic, Gabon, Ivory Coast, Niger, Togo and Tanzania
- Federal government allows foreign and institutional investors to own up to 20% of the Group's shares
- Inclusion of e& in the MSCI indexes

2016
- e& Group completes the sale of Etisalat's shareholding of 92.3% in Canar
- Etisalat Misr acquires 4G license and fixed virtual license in Egypt
- Inclusion of e& Group in FTSE Russell Emerging Markets Index

2017
- Etisalat Misr launches 4G services in Egypt
- Etisalat UAE launches new mobile brand "Swyp" targeting the youth segment in the UAE
- e& successfully completes the fastest 5G live trial globally reaching 71 Gbps

2018
- e& exits Thuraya and merges its operation in Sri Lanka with CK Hutchison
- Maroc Telecom Group acquires 4G licenses in Mali and Togo
- Etisalat UAE is recognised as the most valuable brand in the MENA region

2019
- e& Group lifts restrictions on foreign shareholders voting rights
- Maroc Telecom Group acquires Tigo Chad from Millicom
- Etisalat UAE launches eWallet, a mobile digital payment service
- Etisalat UAE enables 5G network across several key sites in the country
- e& is awarded the "Most Valuable Consumer Brand" by Brand Finance

2020
- Etisalat UAE recognised as the leading operator worldwide in terms of mobile network performance
- The Group completes the acquisition of Help AG's businesses in the UAE and the KSA
- Etisalat named 'Most Valuable Consumer Brand' in MEA for the third consecutive year by Brand Finance

2021
- The Group's foreign ownership limit increases from 20% to 49%
- Etisalat is awarded the strongest brand in the MEA region across all categories
- e& increases ownership in Maroc Telecom Group by 4.7% to 53% and acquires online marketplace elGrocer in the UAE
- e& and G42 sign an agreement to create the largest data centre provider in the UAE

2022
- e& unveiled its new operating model and brand identity demonstrating the Group's commitment to becoming a global technology and investment group
- e& acquired 11% in the Vodafone Group, in line with the Group's ambition to enhance and develop its international exposure
- evision, part of e& life, acquired a majority stake in Starzplay Arabia
- e& enterprise formed a data centre joint venture with G42 and a cloud services joint venture with Bespin Global

Year in Review

e& reached unprecedented heights during a year of outstanding performance and memorable milestones, growing its footprint internationally and investing for the future, while delivering strategic progress across all its business units and creating strong and sustainable value for all its stakeholders.

2022 marked an important milestone for the Group, a transformation toward a new brand identity to align with its strategic endeavors and position it as a global technology and investment group.

January

Acquisition of elGrocer
e& completed the acquisition of elGrocer, strengthening its Smiles online marketplace.

February

Launch of 'Wio' digital bank
e& partnered with ADQ, Alpha Dhabi Holding and First Abu Dhabi Bank (FAB) to launch a new digital banking platform 'Wio'.

March

New partnerships
e& signed several new partnerships with Microsoft, Amazon Web Services and Meta to address the growing demand for digitalisation in different industries and to accelerate value creation and regional innovation.

May

Investment in Vodafone
e& acquired a 9.8% equity stake in Vodafone Group, later increased to 14%*, in line with the Group's ambition to enhance and develop its international exposure.

Global lead in Fibre to the Home (FTTH) penetration**
With e&'s continuous investment in fibre infrastructure, UAE ranked number one for the highest FTTH penetration, maintaining its position for the past seven years.

June

Rebranding of UAE and Egypt telcos
Etisalat transformed from a telco brand to become etisalat by e&, aligning it with the Group's new visual identity and future vision of being a global techco.

Data centre joint venture
e& and G42 created the largest data centre in the Middle East by coming together under the brand 'Khazna'.

Launch of 'GoChat Messenger'
The all-in-one free voice and video calling app GoChat Messenger launched in the UAE.

Three-year alliance with DataRobot
e& enterprise launched Enterprise AI as a Service (AIaaS) to support government and private companies in their digital transformation journey.

July

Rebranding of 'eWallet' as 'e& money'
e& life's fintech arm was rebranded to e& money, a solution to serve the banked, under-banked and unbanked segments as well as merchants and businesses.

August

First 6GHz test in MENA
First trial of the 6GHz spectrum in UAE created history by taking a monumental step for the future of 5G.

September

Partnership with Formula 1 Abu Dhabi Grand Prix
e& announced a multi-year strategic partnership with Abu Dhabi Motorsports Management, as a founding partner of Formula 1 Etihad Airways Abu Dhabi Grand Prix, the biggest sporting event in the Middle East.

Partnership with Manchester City Football Club
e& renewed its partnership with Manchester City Football Club, integrating the new brand into the partnership across all relevant branding, content and activations, and becoming presenting partner of the club's Talented Player Programme in the UAE.

AIG Partnership
e& international partnered with AIG to build innovative digital insurance solutions across markets.

October

Starzplay Arabia acquisition
evision, along with ADQ, completed the acquisition of 57% of Starzplay Arabia to scale up the entertainment segment of e& life, the Group's consumer digital vertical.

Smartworld acquisition
e& enterprise completed its acquisition of 100% of Smartworld, to be rebranded as 'e& enterprise iot and ai'.

e& capital VC fund
e& capital made strategic investments through its $250 million e& capital Venture Capital (VC) fund; in VUZ, a leading immersive social app and funded Lablabee, the world's first hands-on lab platform for the telco cloud.

Metaverse launch
As part of GITEX Global 2022, e& universe was hosted virtually on Mars, Metaverse Service took visitors through multiple virtual spaces and unique avatars, and etisalat by e&'s virtual retail space was showcased.

November

'GoWell' wellness app
First rewards-based, consumer fitness and wellness platform launched in the UAE.

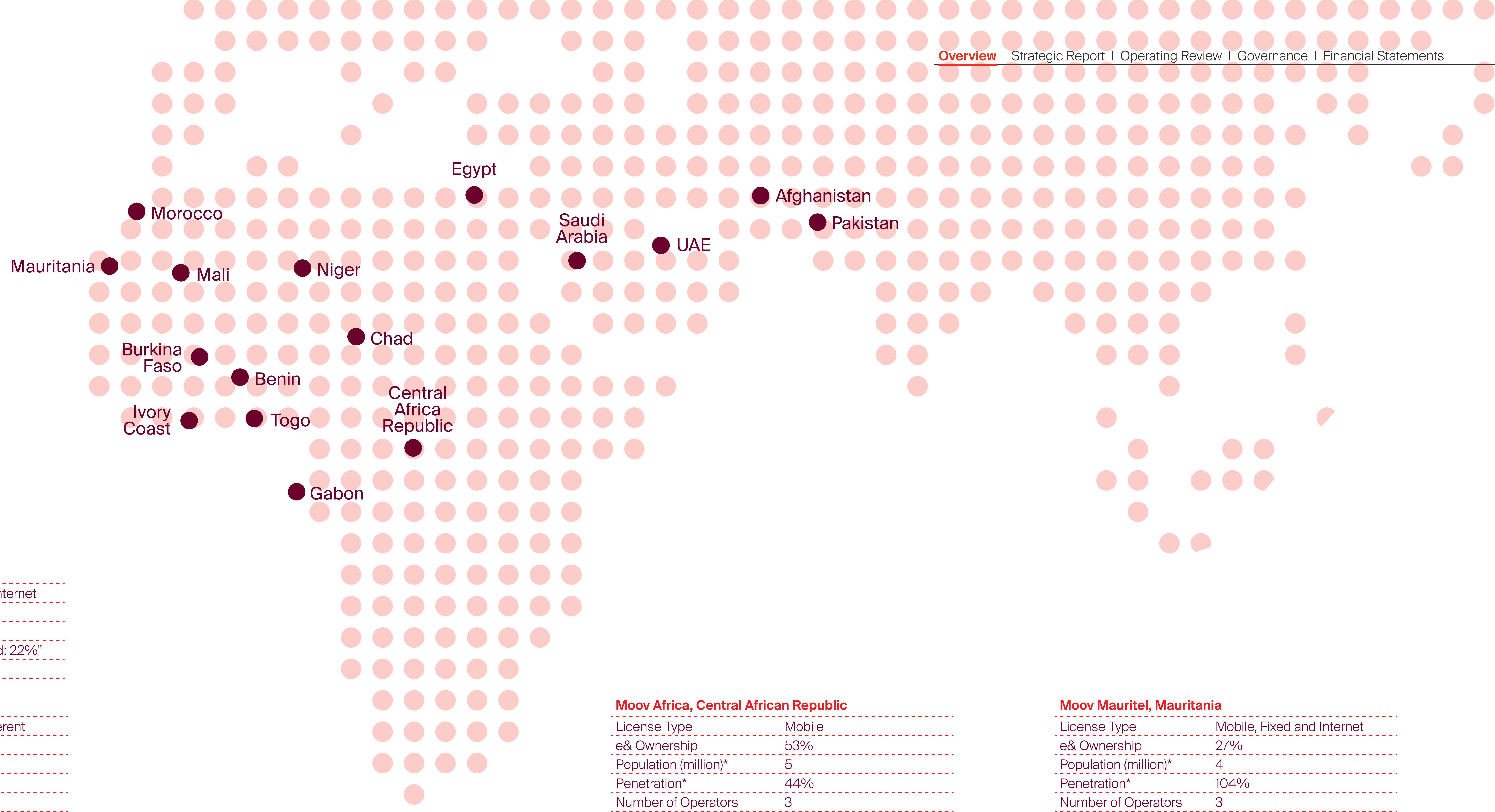
Commitment to net zero
e& committed to achieving a net zero operation in the UAE by 2030 during its participation at COP27, becoming the first private sector entity in the country to join the UICCA to support the UAE's net zero strategy.

December

Enhancing capabilities in cloud management
e& enterprise formed a JV with Bespin Global to offer cloud managed and professional services in the METAP region.

* As of 28th February 2023
** FTTH Council

Geographic Footprint



etisalat by e&, United Arab Emirates

License Type	Mobile, Fixed and Internet
e& Ownership	100%
Population (million)*	11
Penetration*	"Mobile: 191%, Fixed: 22%"
Number of Operators	2

Etihad Etisalat (Mobily), Saudi Arabia

License Type	Mobile, Fixed & Interent
e& Ownership	28%
Population (million)*	37
Penetration*	118%
Number of Operators	3

etisalat by e& egypt

License Type	Mobile, Fixed & Interent
e& Ownership	66%
Population (million)*	106
Penetration*	99%
Number of Operators	4

Etisalat, Afghanistan

License Type	Mobile
e& Ownership	100%
Population (million)*	33
Penetration*	68%
Number of Operators	Mobile 4

PTCL/Ufone, Pakistan

License Type	Mobile, Fixed and Internet
e& Ownership	23%
Population (million)*	232
Penetration*	"Mobile: 84%, Fixed: 1%"
Number of Operators	Mobile 4, Fixed 11

Maroc Telecom, Morocco

License Type	Mobile, Fixed and Internet
e& Ownership	53%
Population (million)*	36
Penetration*	"Mobile: 143%, Fixed: 7%"
Number of Operators	3

Moov Africa, Benin

License Type	Mobile
e& Ownership	53%
Population (million)*	13
Penetration*	99%
Number of Operators	3

Moov Africa, Burkina Faso

License Type	Mobile, Fixed and Internet
e& Ownership	32%
Population (million)*	22
Penetration*	116%
Number of Operators	3

Moov Africa, Central African Republic

License Type	Mobile
e& Ownership	53%
Population (million)*	5
Penetration*	44%
Number of Operators	3

Moov Africa Gabon Telecom, Gabon

License Type	Mobile, Fixed and Internet
e& Ownership	27%
Population (million)*	2
Penetration*	126%
Number of Operators	2

Moov Africa, Ivory Coast

License Type	Mobile
e& Ownership	45%
Population (million)*	28
Penetration*	150%
Number of Operators	3

Moov Africa Malitel, Mali

License Type	Mobile, Fixed and Internet
e& Ownership	27%
Population (million)*	21
Penetration*	107%
Number of Operators	3

Moov Mauritel, Mauritania

License Type	Mobile, Fixed and Internet
e& Ownership	27%
Population (million)*	4
Penetration*	104%
Number of Operators	3

Moov Africa, Niger

License Type	Mobile
e& Ownership	53%
Population (million)*	26
Penetration*	60%
Number of Operators	4

Moov Africa, Togo

License Type	Mobile
e& Ownership	50%
Population (million)*	9
Penetration*	71%
Number of Operators	2

Moov Africa, Chad

License Type	Mobile
e& Ownership	53%
Population (million)*	17
Penetration*	58%
Number of Operators	2

*Based on latest available public information

Investment Case

e& is an attractive and unique investment proposition, as one of the world's leading telecommunications groups in emerging markets with a vision to become a global technology group for the future.

The leading integrated telecommunications group in the region

- Aggregate subscriber base of 163 million
- Largest telecommunication operator in MENA region by market cap and among top ten in the world*
- Comprehensive portfolio of communication products and services to consumers, businesses and government segments in multiple regions
- Diversified business portfolio across 16 high growth and high cash flow maturing markets
- Network leadership in home market with best-in-class mobile and fibre networks

*As of 3 January 2023

Accelerating strategic growth

- Scaling up new consumer services by leveraging strength of telecommunication business
- Strengthening leadership position in enterprise digital services including cloud, cybersecurity, AI and IoT
- Resilience and growth despite global macroeconomic headwinds
- Expanding and optimising telecommunication portfolio
- Investing in new technologies and business models

Robust financial strength and performance

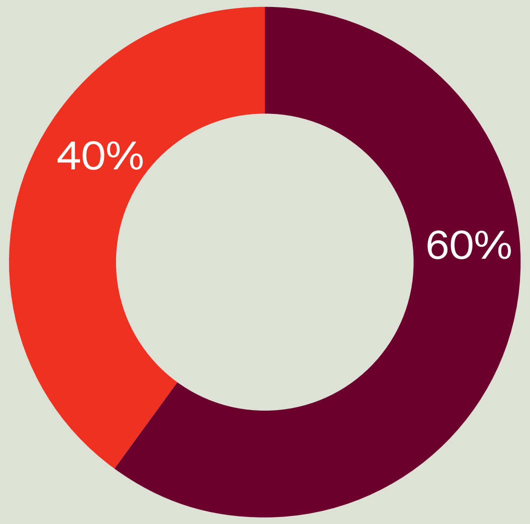
- Record level net profit of AED 10.0 billion in 2022
- Healthy EBITDA margin of 50%, amongst the highest in the telecommunication industry worldwide
- Among highest industry credit ratings, reflecting strong cash flow, unique cash position and disciplined approach to capital spending
- Consistent history of dividend payments

Together towards a sustainable future

- Strategic direction fully aligned with the UN's SDGs and the UAE's Vision
- Strong commitment to Diversity, Equity and Inclusion, including increasing female management
- Commitment to a net zero operation by 2030
- MSCI Global Index ESG rating of 'A', among top third of global corporations

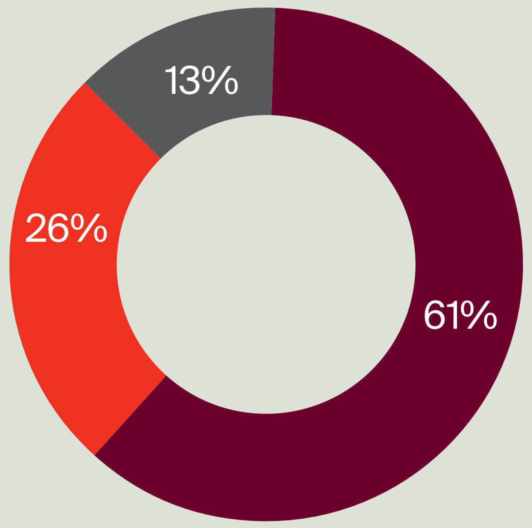
Shareholder Information

Overall Shareholding



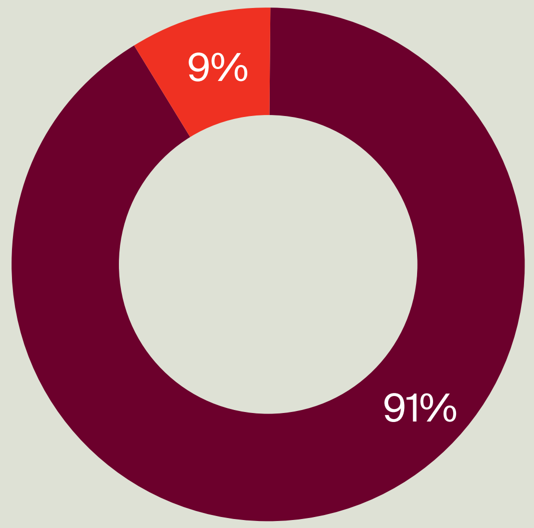
- EIA
- Free Float

Shareholding by Type



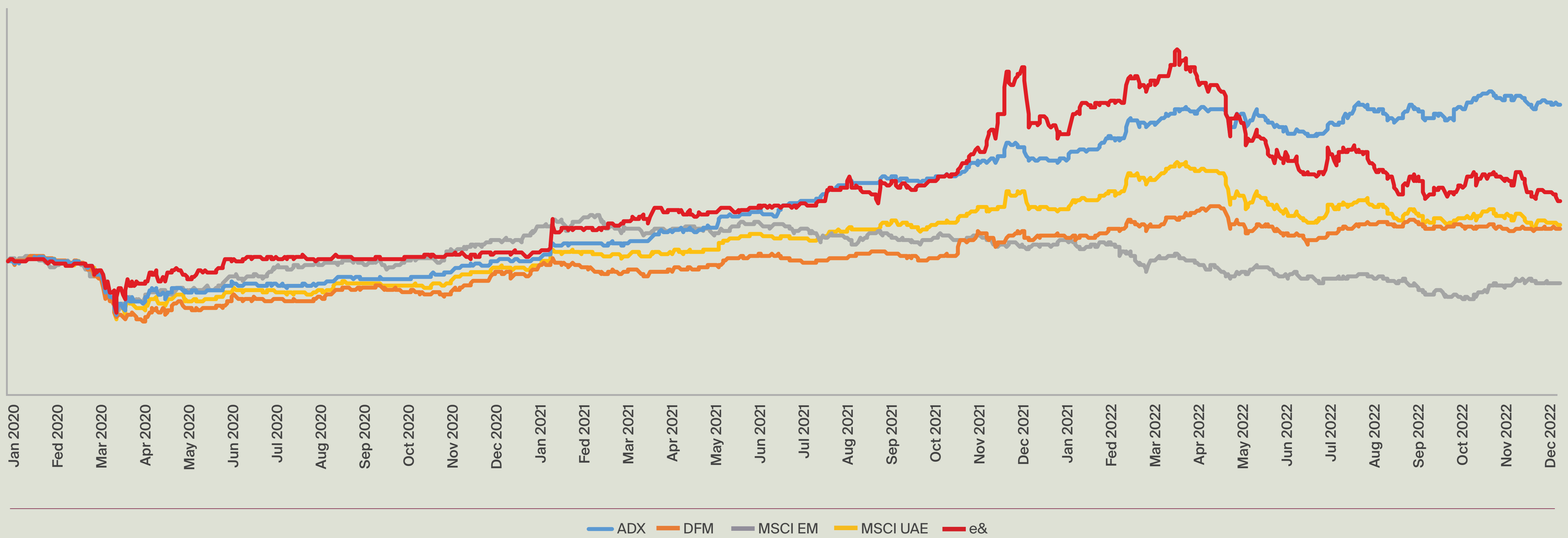
- Government
- Individuals
- Institutions

UAE vs. Foreign Investors



- UAE Investors
- Foreign Investors

Share Price Performance



e& Share Credentials

Share Figures:	
Close (AED)	22.86
52-Week Maximum (AED)	39.06
52-Week Minimum (AED)	22.66
Average Daily Volume (Shares million)	2.52
Number of Shares (Shares million)	8,696
Market Cap. (AED billion)	198.8

Dividend

AED 0.4 H1 2022 + **AED 0.4** H2 2022 = **AED 0.8** FY 2022

Credit Rating

	Rating	Outlook
S&P	AA-	Stable
Moody's	Aa3	Stable

Major Shareholding

Shareholder	Number of Shares	Shareholding Percentage
Emirates Investment Authority (EIA)	5,218,052,400	60%

In 2022, the global economy witnessed increased inflationary pressure, a wave of monetary easing, and overall decreased sentiment towards equities. This has sparked a decline in the Group's share price despite a stellar overall performance in the past three years. However, the share's resistance is a product of a stable dividends policy as well as the Group's robust fundamental performance.

For more information, please access our IR page by scanning the QR code.

02 Strategic Report

Chairman's Statement

In the face of challenging global market conditions, e& continued to thrive in 2022. We achieved outstanding results for our shareholders while continuing to delight our customers with diverse services and digitally enabling the communities we serve.

Net profit

AED 10.0 billion

Dividend Per Share

AED 0.8

Leveraging our legacy, the Group transformed from a telecommunications company into a technology and investment group and expanded into new business verticals, reinforcing its standing as a leading global technology and investment group. Our comprehensive strategy taps into adjacent digital and consumer services to retain efficiency and agility, optimises our portfolio and drives growth across all verticals.

Our meticulous implementation of a new, ambitious, and future-ready strategic vision has delivered sustainable growth and added value to both our customers and shareholders. As a result of our relentless efforts, we have been recognised as the Middle East and Africa's most valuable portfolio of telecommunication brands by Brand Finance, and remain among the top telecommunication companies globally in terms of market cap.

Historical strong performance

Over the past 12 months, our core businesses have sustained a solid performance, and our new business verticals and M&A activities have significantly contributed to our success. Our talented management team, the trust of our stakeholders, and our clear vision have all played a role in our historically strong performance in 2022.

The exceptional financial results achieved by e&, with consolidated revenues of AED 52.4 billion and a record net profit of AED 10.0 billion in 2022, is a strong testament to the success of our business transformation strategy. Our strong performance reflects our excellent financial position, successful business strategy, ambitious goals, and shareholders' confidence in our future. We will remain committed to delivering continuous growth and improving long-term value for our customers and shareholders.

Transformation journey

The Group's transformation aims at positioning e& at the forefront of the rapidly changing technology landscape. It symbolises our desire to stay ahead of the ever-changing market, provide innovative solutions to our customers, and show our determination to adapt and thrive. e& has enhanced the customer experience at every touch point by designing and delivering a range of innovative technologies to ensure future growth while making us even more resilient.

Despite facing global market changes and currency devaluation challenges in some of the markets we serve, we remain confident and optimistic about the future and actively pursue growth opportunities through strategic partnerships and prudent investments and acquisitions.

Our commitment to a brighter future

Our commitment towards sustainability is embedded as an integral part of the Group's DNA, reflecting our values and desire to enhance people's lives. We believe that commercial success and sustainability go hand in hand and that our responsibilities extend far beyond the bottom line.

Accordingly, we are actively reducing our carbon footprint and promoting sustainability across the Group's operations in the UAE in pursuit of net zero operations by 2030. The UAE has declared 2023 to be the "Year of Sustainability", and we are committed to supporting the nation's sustainable development goals as it prepares to host the UN Climate Change Conference, COP28.

We are also committed to supporting the communities in which we serve by promoting diversity and inclusion in the workplace, which is essential to create a better future for all.

In the face of the challenges ahead, we at the Group remain confident in our ability to navigate them and capitalise on the opportunities that lie ahead.

We are inspired by the UAE's leadership to push our boundaries and be at the forefront of the digital era by developing next-generation digital connectivity and cutting-edge solutions. We remain committed to serving our customers and creating long-term value for our shareholders. As a global technology and investment group, we will continue to work towards making a positive impact in the communities we serve.

Our outstanding results in 2022 are the result of the dedication and hard work of our management team, who are relentless in their pursuit to establish e& as one of the world's most admired, trusted and valuable brands, and to help communities shape their digital future.

We will remain committed to delivering continuous growth and improving long-term value for our customers and shareholders.

Jassem Mohamed Alzaabi
Chairman

A year of so much more

e& continues to accelerate towards its future as a global technology group, having evolved from Etisalat Group to **e&** which means **etisalat and** more. The name pays tribute to our roots in telecommunications as we takeimportant strides to bring our new strategy to life and create an operating model that will enhance long term value for our shareholders.

At home and across our expansive geographic footprint, the talent and determination of our people have propelled e& to an outstanding level of operational and financial performance, demonstrating the strength of our new brand, the power of our strategy and the efficiency of our operations.

We redoubled our efforts to drive transformation across the Group, investing in expansion, launching new partnerships and products, pushing the frontiers of technological innovation, and reinforcing the importance of our customers at the heart of everything we do. These efforts were rewarded through enhanced productivity, increased customer satisfaction, and outstanding financial returns across all our markets and business verticals.

Overcoming challenging macroeconomic conditions in our markets, we maintained our position as a progressive force for positive change, listening to and collaborating with governments, partners, suppliers and customers to leverage our scale, deploy our capabilities and drive sustainable growth while having a positive environmental and social impact.

As we continue to accelerate our transformation journey, our ambition has only grown. Diversified and differentiated as a recognised industry leader, we are well-positioned at the head of the pack, primed to pursue our vision with great focus and determination to create increasing shareholder value in the years ahead.

accelerate& transform

Group CEO's Message

2022 has been a defining year for e& as we strengthened our transformation into a global technology and investment group committed to digitally empowering societies. Despite various global challenges, our domestic and international operations achieved impressive results, reinforcing our leadership position in highly competitive and evolving markets.

We took our growth mindset beyond the realms of telecom as we ideated, designed and deployed our end-to-end digital solutions to help gearing businesses, governments and enterprises for a brighter digital future. This focus on the digital experience combined with our passion to enhance the customer journey has allowed us to lead in Net Promoter Score across our key markets.

Revenue

AED 52.4 billion

a growth of 4.7% year-over-year at constant exchange rates

EBITDA

AED 26.2 billion

a growth of 3.7% year-over-year at constant exchange rates

CELEBRATING STRONG BUSINESS PERFORMANCE

Our focus on maximising value creation across our operations and prudent investments through M&A drove strong performance, significant milestones and achievements in 2022.

The Group's recognition as the most valuable portfolio of telecom brands in the MEA region, and etisalat by e& reaffirming its position as the strongest telecom brand across all categories in the region, underline the success of our strategic evolution and our commitment to building one of the fastest networks in the world.

e& reported consolidated revenues of AED 52.4 billion, a growth of 4.7% year-over-year at constant exchange rates, underpinned by the Group's successful business transformation, expanding to new business verticals and diversifying the revenue streams. Consolidated EBITDA increased by 3.7% year-over-year at constant exchange rates, to AED 26.2 billion, leading to an EBITDA margin of 50 per cent, highlighting the strong profitability of e&'s operations.

UNLOCKING NEW OPPORTUNITIES

We are committed to remain at the forefront of digital transformation and empower customers to innovate and overcome their business challenges. We are leveraging cutting-edge technologies such as 5G, AI, IoT, blockchain and cloud to achieve this goal. We have partnered with leading global technology giants to bring the best possible solutions and innovations to our customers. Furthermore, the Group has strategically pursued mergers and acquisitions for sustained growth and diversification, with a focus on non-telco verticals.

Our business verticals embody a progressive model that enables us to capitalise on opportunities in the rapidly changing digital landscape. With a focus on innovation, we are poised to deliver high-value digital solutions that meet the evolving needs of our customers in different markets.

Our strategic investment in Vodafone Group for example provides us with the unique opportunity to gain significant exposure to one of the world's leading and strongest telecom brands, enabling limitless possibilities of commercial partnerships in R&D, technology applications, and procurement, boosting our Group's value proposition.

Our transformation journey over the past year has highlighted the importance of collaborating with global technology giants such as Microsoft, Google, Amazon and Meta, among others, to create innovative products and services, while building momentum to turn challenges into growth opportunities.

etisalat by e& has performed remarkably well in diversifying its business activities through new product and service offerings and acquisitions, leading to a strong performance for the company. An example of this success is the recent acquisition of elGrocer under the Smiles brand, as part of our strategic ambitions of scaling up the digital consumer offering. It also launched UAE's first of its kind Easy Insurance, an innovative insurance platform offering digital services for auto, health and travel insurance, as well as unveiled GoChat Messenger, an all-in-one free voice and video calling app.

e& life reached new heights by expanding fintech and multimedia content offerings via e& money and evision. The Group's media and entertainment arm has also made strategic acquisitions, such as a majority stake in STARZPLAY ARABIA, to improve services and expand its presence in the MENA region.

e& enterprise focused on advanced B2B solutions using latest tech, and has grown through partnerships and acquisitions, forming the e& enterprise IoT and AI division. The joint venture with Bespin Global has enabled e& to provide a one-stop cloud solution to enterprises in the METAP region. The company also partnered with G42 to create the UAE and Middle East's largest data centre provider, Khazna, to support the creation of a digital ecosystem.

e& capital has made significant contributions to the growth of its vertical through investments in people, science, and innovation, and working closely with venture capital firms and accelerators to enable their portfolio companies to achieve growth, while nurturing a thriving regional tech ecosystem. In 2022 the investment arm of the Group announced its $250 million e& capital Venture Capital (VC) fund, made a strategic investment in VUZ, a leading immersive social app, and funded Lablabee, a tech startup which will grow the world's first hands-on lab platform for the telco cloud.

e& international has expanded its reach and delivered exceptional customer experiences through our strong market presence and partnerships with industry leaders, fuelling our digital growth. One such example is the partnership with AIG, a leading insurer, to create a unique digital insurance offering in selected e& international markets. etisalat by e& Egypt partnered with Honeywell to offer new services and products in the field of IoT and smart cities while PTCL by e& in Pakistan successfully deployed AirPON to offer an innovative Fibre-to-the-Home solution.

ESG DRIVES BUSINESS GROWTH

Sustainability is at the core of everything we do and is a driving force behind our growth. With clear sustainability principles guiding our progress, e& continuously promotes an inclusive digital culture that brings communities closer together while meeting stakeholders' evolving needs.

In 2022, we made significant progress in fostering a more inclusive workplace culture by prioritising diversity and inclusion. As a result, e& was recognised by Forbes as one of the best places to work in the MENA region.

We have pledged to achieve net-zero emissions in our UAE operations by 2030 and actively contribute to global climate action. We are also proud to have joined the UAE Independent Climate Change Accelerators (UICCA), the first UAE private sector entity to do so.

The unwavering support of the UAE leadership has been instrumental in driving us towards new heights. We are grateful for their continued encouragement as we evolve into a leading group spearheading progress nationally and regionally.

We are grateful to our customers, shareholders and employees for their continued support as we continue to pioneer broad-spectrum technologies, build impactful partnerships, and contribute to shaping the digital era of the future.

"We have pledged to achieve net-zero emissions in our UAE operations by 2030

Hatem Dowidar
Group Chief Executive Officer

Business Model

How We Create Value

etisalat by e& | e& international | e& life | e& enterprise | e& capital

Our values: Customer Centricity, Collaboration, Agility, Empowerment

Our Strengths	How We Create Value			Value Created for Stakeholders
Financials: • Strong balance sheet and cash flow generation • Disciplined deployment of capital • Easy access to capital	Strong focus on growth while maintaining efficient cost control and improving productivity	Leveraging the size of the Group to benefit from economies of scale	Prioritizing capital allocation to optimise value creation	**Financials:** • Consistent history of dividend payment (80 fils/ share) • Robust EBITDA margin over 50% with high ROIC of 17% • High Credit Ratings (AA-; Aa3 / stable outlook)
Diversified Portfolio: • Operations in 16 countries • Diversified portfolio with mix of maturing high cash flow generating markets and high growth markets	Diversifying into non-telecom business by scaling up consumer and enterprise digital services	Expanding geographical footprint while maintaining a leadership position in current markets	Forming strategic partnerships and joint ventures and investing in pioneering start-ups	**Diversified Portfolio:** • No. 1 or No. 2 in value in 13 out of 16 markets • Large customer base with over 160 million subscribers • Strategic acquisition of 14% stake in Vodafone Group
ESG: • Clear ESG strategy with mid & long-term targets aligned to best practice • Robust data management system	Executive steering committee to oversee ESG practice, and aligning business activities with relevant sustainability ambitions		Prioritising data security and privacy, while enhancing responsible marketing practices	**ESG:** • Committed to a net zero operation by 2030 in the UAE • Improved ESG performance and ranking in international indices (MSCI "A" Rating)
Brand: • Clear brand identity • Brand architecture in line with our business strategy	Consistent brand visibility and communication, with seamless brand experience across touchpoints		Long-term relationship building with stakeholders	**Brand:** • Most valuable portfolio of telecom brands in MEA * • Strongest telecom brand in MEA * • Most valuable Emarati brand **
Our People: • Diverse workforce with more than 70 nationalities • Flexible working model including hybrid policy	Creating a culture of diversity and inclusion with equalised benefits for all employees	Focusing on Emiratisation by hiring graduates to develop our future leaders	Aligning compensation and benefits framework with long-term strategic objectives	**Our People:** • Employment Engagement Index of 77% • Featured by Forbes in the World's Best Employer List • High gender diversity at 25% and record-breaking Emiratisation of 52% in the UAE
Networks: • Deployed latest technology (4G/LTE/5G / FTTH) • Investment in platforms, software, data centers, digital ecosystem etc.	Building one of the best network infrastructures in the world	Investing in license and spectrum acquisitions to improve quality of service	Enhancing and digitising customer experience (CVM, data analytics, etc.) and offering latest technologies	**Networks:** • Leading mobile network (download speeds of 193.88 mbps in UAE) • 5G penetration > 97% of population in the UAE • UAE global leader in FTTH penetration

* Brand Finance
** Kantar BrandZ

Our Strategy

Building from our strong foundations as a telco giant, operating across 16 countries and serving over 163 million subscribers, e& has strongly positioned itself with its solid financial performance, network leadership and brand value. However, in 2022, e& began the journey of transformation to a global technology group by revealing its new brand identity, creating new verticals and acquiring high growth assets in the telecommunications and technology space.

Our e& 2030 strategy is designed to transition e& from topline stability to sustained growth. e& aspires to change its business composition from being UAE telco centric to a more balanced geographic profile with higher revenue contribution outside the UAE and from the non-telco verticals. The majority of the revenue growth will come from investments and the successful integration of non-UAE telcos, with a focus on mature, stable markets and OpCos with strong capabilities and size, with upside potential from scale synergies. e& will also explore opportunities to increase its presence in existing markets. For example, through increasing ownership, acquiring additional telcos and leveraging the digital verticals in these markets. At the same time, e& will continue to explore new delayering opportunities including infrastructure and will continue exploring opportunities in future technologies. e& will continue utilising the power of Data and AI to digitise, automate and transform all its operations to improve agility, productivity, and customer experience.

ESG is a top priority and e& is committed to an environmentally sustainable future as well as fostering an engaged, diverse and inclusive workplace. Therefore, as part of our e& 2030 strategy we declared our commitment to achieving net zero in the UAE for Scope 1 and 2 emissions by 2030 through a mixed approach of abatement initiatives and carbon offsetting

Our Purpose

To be the centre of the customers digital life. We connect them, and we build and enable experiences that make their work more productive and life more enjoyable.

Our Vision

To be a leading global technology and investment group

Our Strategy

As part of our 2030 strategy, we have great ambitions to move from a stable top line to sustained growth over the next eight years, abiding by our four strategic pillars:

- **Double down on core:** Where we will continue to invest in telco to generate growth and scale. We will double down on core business in the UAE operation and will grow our international footprint.
- **Diversify portfolio:** As we look towards having a more balanced geographic profile with a higher contribution from the non-telco verticals, we will invest to increase the percentage of revenue from non-telco.
- **Digitalise and transform operations:** Given the ever-evolving and competitive business landscape, we will continue to digitalise and transform our operations by improving productivity, customer experience and efficiency. We are focused on bringing to the ecosystem new opportunities where we can leverage our data and capabilities.
- **Drive Sustainability:** ESG is our priority, and we remain committed to have a best-in-class ESG performance, develop the awareness and value of the e& brand and foster an engaged, diverse and inclusive workplace.

	etisalat by e&	e& international	e& life	e& enterprise
Mandate	To provide comprehensive telecommunication services and solutions integrated with a growing portfolio of digital services for consumers, businesses and government entities in the UAE.	To maximise value creation of our international portfolio and strategically expand our geographic footprint, our ambition is to become the centre of digital life for customers around the world.	To contribute to the Group's growth and leadership in the tech space by becoming the home of several leading consumer digital businesses in MENAP, across multiple verticals.	To enable organisations to maximise their digital potential by designing, delivering and operating impactful, intelligent and secure end-to-end digital solutions through innovative digital value propositions.
Strategic Priorities	• Grow share of wallet in core and beyond • Scale and monetise new growth engines • Excel in world-class customer experience delivery • Transform into an AI and data-driven organisation	• Drive organic telecommunication growth across existing footprint • Expand internationally through M&A and digital MVNOs • Grow new digital revenue streams in B2C and B2B adjacencies • Maximise synergies across the footprint	• e& money to be the leading fintech player in the region • evision to be a leading regional entertainment provider encompassing video, music and more • Scale-up the vertical by creating a dynamic portfolio of businesses by means of venture building, acquisition and partnership	• Lead in the UAE • Execute and operate regionally through M&A and strategic partnerships • Accelerate the use of emerging technologies to fuel innovation in the community
KPIs	• Core revenue growth • Digital revenue contribution • Customer experience enhancement	• Organic revenue growth • Percentage contribution to Group revenues • Digital revenue contribution • Value of revenue and cost synergies extracted	• Revenue growth • Improving profitability margins • Expanding number of customers	• Revenue growth • Revenue contribution outside the UAE
2022 Key Achievements	• Strengthened both core and digital propositions, resulting in revenue growth across all segments while maintaining world-class profitability margins • Ranked number one globally for mobile broadband download speeds • Enabled the UAE to maintain its rank as a global leader in terms of FTTH penetration	• Strong year-on-year organic growth in local currency • Market-leading customer satisfaction in key markets • Increase in digital services penetration	• evision acquired majority stake in StarzPlay and realised synergies between both entities • Strong enhancement of content mix and grew presence in sports • Re-launched and rebranded the e& money app (including fastest digital onboarding experience in the UAE)	• e& enterprise cloud: partnership with Khazna Data Centre and G42; JV with Bespin Global • Help AG: launch of CSOC in Saudi Arabia; launch of Next Gen Cloud SOC • e& enterprise iot&ai: partnership with DataRobot; acquisition of Smartworld
2023 Goals	• To grow digital revenues by further expanding our portfolio of digital and adjacent services supported by both organic and inorganic moves • Continue with our unparalleled focus on customer experience to enhance all customer journeys and channels • Continue to explore and invest in disruptive technologies to create long-term value for our customers and shareholders	• Continue to grow core telecommunication business organically • Diversify through geographic expansion • Launch of new digital revenue streams	• Enrich the video content and expand into multiple entertainment verticals beyond video • Expand outside the e& ecosystem • Diversify our product offerings with new high margin products • Enrich e& money app with a consumer-orientated approach	• Secure further key mandates and references in the UAE • Expand capabilities through inorganic and strategic partnerships • Become a truly regional player with operations in the UAE, Saudi Arabia and Egypt • Develop autonomous commercial and consulting capabilities in digital transformation
Principal Risks	• Uncertain global macroeconomic and geo-political situation • High inflation negatively impacting customer spend • Intensified competition across all lines of business	• Macroeconomic risk (currency depreciation, inflation) • Geo-political risk impacting organic and inorganic growth • Regulatory risk impacting growth and profitability	• Unfavourable macroeconomic conditions impacting consumer spending and organic/inorganic growth • Regulatory risks leading to delay in targeted launch of new products and acquisitions.	• Slower M&A and partnerships due to external geopolitical and economic conditions • Shortage of digital talents in the market such as AI, Big Data, IoT, Blockchain and Cloud computing.

Market Overview

UAE Telecommunications

The UAE is a regional outperformer in terms of information and communications technology, given extensive investment made in technological infrastructure that boasts the highest average download speeds in the world, that supports work processes and e-commerce growth. The growth of this sector has also been spurred by government initiatives, with the UAE aiming to provide 90% of government services electronically, which in turn improves bureaucratic efficiency and the ease of doing business.

The country is ranked the highest in terms of Fibre-to-the-Home penetration, boosting online activities for businesses and consumers. Similarly, the country enjoys the latest technology in mobile services with the deployment of 5G networks. In the long-term, the UAE plans to transform its economy around connected smart-city infrastructures and digital-first businesses and is well placed to leverage the power of 5G investment for digital transformation. The UAE mobile market is expected to grow over the long-term owing to investment in smart-city solutions and an increasingly diversified digital economy.

In 2022, the telecommunication sector witnessed strong growth supported by population growth, robust recovery in tourism and business travel, on the back of Expo 2020 Dubai and the FIFA World Cup. This resulted in a strong recovery in the mobile segment that also benefited from wider deployment of the 5G network. Voice revenue remained under pressure due to increasing availability of VoIP products however, it was compensated by strong growth in data and digital services.

Saudi Arabia Telecommunications

Saudi Arabia is the largest telecommunications market in the MENA region in terms of revenue that has witnessed a profound growth trajectory over the years, supported by strong disposable incomes, a growing and youthful population, increased spending in digital infrastructure, and robust investment in technology.

The Saudi telecommunications market is expected to expand further, as it is set to play a critical role in the Kingdom's 2030 Vision to diversify its economy. Strong data adoption and upselling of premium services will remain the main drivers of growth in the mobile market. This is coupled with a strong demand from the new economic sectors in the country that will drive M2M and Internet of things (IoT) over the long-term, accelerated by the operators' roll out of 5G networks. The fixed broadband market is poised for steady growth over the medium-term driven by strong investment from operators and the government into next generation networks and the strong demand for fibre services.

Egypt Telecommunications

Egypt is the second largest telecommunications market in terms of mobile subscribers in the MENA region. To accommodate this, the telecommunication market in Egypt continuously offers a diverse mixture of strong advanced services demand as well as considerable room for healthy organic growth. Despite currency devaluation and increased inflationary pressures, the sector displayed resilience following overall growth in industry GDP, subscribers and penetration. This was mainly due to strong uptake of data underpinned by the widespread adoption of 4G services and the growing penetration of smartphones.

A youthful population and healthy demographics will support growth in mobile data services and voice activated services (VAS). The mobile market is currently focused on the deployment of 4G networks and services post spectrum acquisition. Besides, Egypt is well positioned to benefit from fintech solutions and digital services given the large size of the unbanked population.

Morocco Telecommunications

The Moroccan telecommunications market is now quite mature.

Operators' deployment of 4G networks, rapid growth in smartphone affordability and fierce pricing competition among the carriers have both contributed to the strong growth in demand for mobile data services. Operators are placing a greater emphasis on high-value plans and migrating customers to post paid premium services. However, the mobile segment in Morocco is facing growing competition and regulatory uncertainties that are impacting growth.

On the other hand, fixed broadband is the main catalyst for growth in the telecommunications market in Morocco growing by high single digits, supported by FTTH network expansion. Enterprise demand will be a crucial driver in the ICT sector's growth as well as the support of the industry's commercial mobile, data and broadband services.

Pakistan Telecommunications

The Pakistan telecommunication market is mainly reliant on mobile services for the communication needs of the majority of its residents. Given the underpenetrated nature of the market, the organic growth opportunities are still relatively strong.

Mobile growth is mainly driven by rapid expansion of 4G services and the adoption of mobile data services, that still has potential to grow.

The fixed operators are continuously upgrading their existing infrastructure and network while rolling out Fibre-to-the-Home (FTTH) across the country. Fixed broadband penetration in Pakistan remained low at a mere 6% of the total households but this coupled with a growing need for data consumption provides a significant opportunity in the market.

With the massive unbanked population as its main driver, mobile financial services are growing popularity and making a substantial contribution to the telecommunication sector's growth. If sensible laws are put in place, this industry can expand much further.

UAE by the numbers

Population	Mobile Subscribers
10.8 million	19.3 million
Real GDP Growth	**Mobile Penetration**
4.2%	191%
GDP Per Capita	**Smartphone Penetration**
48,300 USD	171%

Saudi Arabia by the numbers

Population	Mobile Subscribers
36.9 million	42.7 million
Real GDP Growth	**Mobile Penetration**
3.7%	118%
GDP Per Capita	**Smartphone Penetration**
27,000 USD	101%

Egypt by the numbers

Population	Mobile Subscribers
106.2 million	105.6 million
Real GDP Growth	**Mobile Penetration**
4.4%	99%
GDP Per Capita	**Smartphone Penetration**
4,400 USD	81%

Morocco by the numbers

Population	Mobile Subscribers
37.0 million	49.1 million
Real GDP Growth	**Mobile Penetration**
3.1%	129%
GDP Per Capita	**Smartphone Penetration**
4,100 USD	105%

Pakistan by the numbers

Population	Mobile Subscribers
231.6 million	194.5 million
Real GDP Growth	**Mobile Penetration**
3.5%	84%
GDP Per Capita	**Smartphone Penetration**
1,700 USD	53%

Statistical data are based on latest estimates; Real GDP growth rates are 2023 estimates.

Group
CFO's Review

e& demonstrated the resilience of its financial discipline and strategic focus in 2022, efficiency in costs and increasing top-line growth. Against a challenging macroeconomic headwinds, we implemented our new operating model and invested to scale our businesses, culminating in an impressive performance during this eventful year.

EBITDA margin

50%

Net debt to EBITDA

0.58x

Tackling challenges to return robust results

The 2022 global macroeconomic environment had a profound impact on economies and companies across the world. The year saw dramatic reductions in the global economic growth caused by steep interest rate increases to tackle surging inflation, supply chain disruptions, fierce competition and a tightening regulatory environment.

e& was not immune from the consequences of slower global growth, on top of ongoing competitive and regulatory pressures in some of the countries where we operate. Increased foreign exchange rate volatility in our international markets put pressure on reported currency revenues and repeated interest rate hikes naturally added to our cost of funding.

Given this operating environment, the Group's achievements were all the more remarkable. We are pleased to announce a strong operational and financial performance for 2022, with reported growth at constant exchange rates and pleasing advances in many of our strategic ambitions.

Our disciplined approach and resilience delivered significant top-line growth in all key operations at constant exchange rates. Revenues at constant exchange rates rose 4.7% to AED 52.4 billion, supported by growth in our domestic and international businesses and intense focus on building new revenue streams. On a consolidated reported revenue basis, revenues were down 1.7%, reflecting the impact of exchange rate volatility.

Faced with rising inflation and higher energy bills, the Group's focus on cost optimisation initiatives cut operating expenses by 2% to AED 33.3 billion, that partially offset the revenue decline and resulted in EBITDA of AED 26.2 billion and an EBITDA margin of 50%, stable year over year. In constant currency, EBITDA increased year over year by 3.7%.

The Group delivered a record net profit after federal royalty of AED 10.0 billion, a 7.4% increase year over year, resulting in a net profit margin of 19% and translating into earnings per share of AED 1.15, compared to AED 1.07 in 2021. This increase is attributed to higher income from associates, lower depreciation and amortisation expenses, and to higher income from financial investments, offsetting foreign exchange losses, higher net finance and other costs, and federal royalty charges.

e&'s Board of Directors rewarded its shareholders by recommending consistent dividend per share of AED 0.80 representing a payout ratio of 70%.

Bolstering our balance sheet

Our balance sheet is also a testament to the exceptional fiscal discipline and prudent financial management that have contributed to e& having among the highest credit ratings in the industry, AA- and Aa3 with a 'stable outlook' from S&P Global and Moody's respectively.

Operating free cashflow of AED 18.2 billion remained strong on the back of solid fundamentals, permitting us to end the year in a robust liquidity position with cash of AED 32.8 billion.

Gross debt of AED 48.0 billion (2021: AED 25.7 billion) reflected borrowings to finance day-to-day operations and various investments, predominantly our acquisition of a strategic shareholding in the Vodafone Group, becoming its largest shareholder. The net debt of AED 15.1 billion dirhams translated into 0.58 times net debt to EBITDA multiple.

Our current borrowings currency mix is relatively stable with 62% held in USD/AED and 18% in Euro. Bank borrowings represent 76% of total debt. The remaining 24% of our debt is mostly in bonds that will be maturing between 2024 and 2033.

Efficient capital spending deployment was maintained without affecting potential revenue growth opportunities, largely contributing to consolidated capital spending dropping 3.9% to AED 8.0 billion, translating to a capex intensity ratio of 15%. Capital spending was driven by our ongoing commitment to expand our superior quality network and reinforcing our leadership position. This includes the deployment of 5G network in the UAE, the expansion of fibre networks within the countries of Maroc Telecom Group and Pakistan as well as the expansion of mobile networks coverage in several markets.

Financial highlights from operating divisions

All our companies showed pleasing growth in local currency terms. etisalat by e& in the UAE reported revenue growth of 3.2% to AED 31.2 billion, contributing 59% of the Group's consolidated revenue. This solid outcome stemmed from the continuing post-pandemic recovery led by the mobile segment that grew year over year by 6% due to positive contributions from data and outbound roaming. Similarly, we grew fixed segment by 1% supported by unique fibre offerings and strong TV services. While we continued to expand our digital revenue. EBITDA from the UAE operation increased 4.6% to AED 16.2 billion, reflecting an EBITDA margin of 52%. EBITDA growth attributed to higher revenue generation and a healthier gross margin.

The Group delivered net profit after federal royalty of AED 10.0 billion, the highest profit in the Group's history reflecting the strength and resilience of our operations.

Karim Bennis
Group Chief Financial Officer

Group
CFO's Review (continued)

e& international, which comprises all of our telecom operations outside the UAE, felt the impact of unfavourable rates of exchange with the Egyptian Pound, Pakistani Rupee and Moroccan Dirham, resulting in revenues declining 9.6% in reported currency to AED 20.4 billion. However, at constant exchange rates, our international division grew revenue by 5.6%, buoyed by double-digit growth in Egypt and Pakistan. Maroc Telecom Group's growth was flat, reflecting ongoing regulatory and competitive pressure in Morocco compensated by growth in Moov Africa. EBITDA from international operations declined 9.3% to AED 9.7 billion in reported currency, but increased 4.7% at constant exchange rates. EBITDA margin stood at 48%, an increase of 0.1 point compared to the prior year.

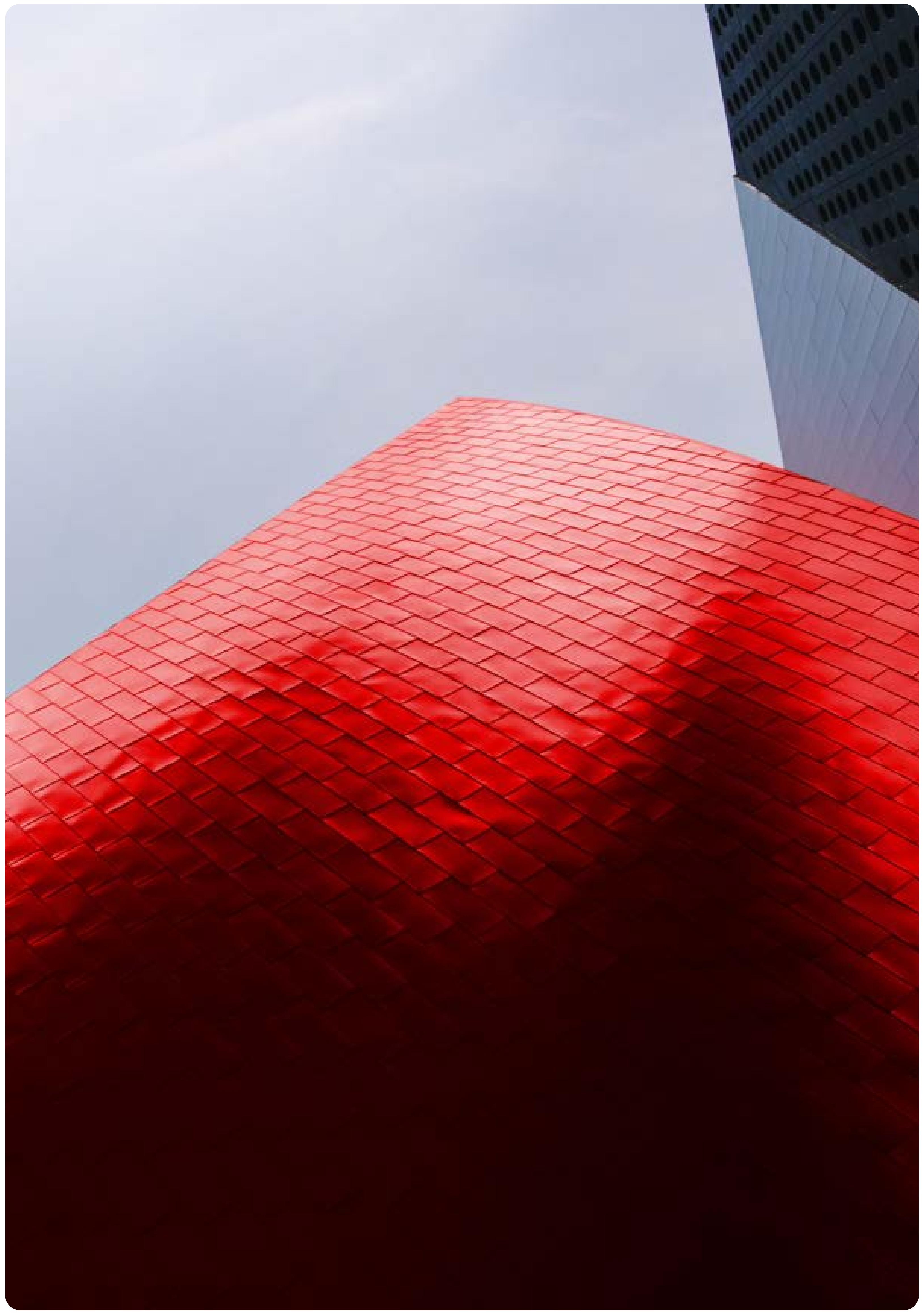
The year ahead

e&'s sound financial position, exceptional brand and reputation, and our new operating model support our ambition to accelerate growth organically and by acquisitions that will scale the business and expand our footprint. Pursuing attractive, value-accretive M&A prospects will be a top priority in our agenda. At the same time, we will focus on growing local currency revenues in all our markets and maintaining the momentum in cash flow generation and profitability.

Profit and Loss Summary	2021 AED million	2022 AED million
Revenue	53,342	52,434
EBTIDA	26,721	26,202
EBTIDA Margin	50%	50%
Federal Royalty	(5,542)	(5,771)
Net Profit	9,317	10,007
Net Profit Margin	17%	19%

Balance Sheet Summary	2021 AED million	2022 AED million
Cash & Bank Balances	28,575	32,839
Total Assets	128,197	145,085
Total Debt	25,732	47,954
Net Cash/ (Debt)	2,843	(15,115)
Total Equity	57,564	49,999

Cash Flow Summary	2021 AED million	2022 AED million
Operating	18,111	19,135
Investing	(8,775)	(27,269)
Financing	(13,086)	13,621
Net Change in cash	(3,751)	5,486
Effect of FX rate changes	1,039	(1,003)
Others	(58)	(219)
Ending cash balances	28,575	32,839



Risk Management

e& continued its journey 'from Telco to Techco' in 2022, following the adoption of a new 2030 strategy and the implementation of a new operating model to underpin it. The strong ambition to become a leading global technology company of choice, with standout digital products and services, provides very attractive opportunities for growth that come with significant risks that must be proactively identified and effectively mitigated.

As one of the world's largest telecommunications operators, e& operates in a highly regulated, competitive, and rapidly evolving environment. This landscape is increasingly becoming more complex as a result of the strategic focus to grow adjacent businesses and the significant investment to maximise returns from the digital economy. Additionally, the post-pandemic global outlook deteriorated significantly in 2022, influenced by the uncertainties caused by the conflict between Russia and Ukraine. While the world still recovered from multiple waves of COVID-19, the conflict at Europe's footstep disrupted an already fragile supply chain under tremendous pressure. The rising prices of oil and energy contributed to the historic levels of inflation across the globe which, in turn, led to tight economic and monetary policies, increases in interest rates and a global cost-of-living crisis.

The unprecedented uncertainties in the external environment compounded by the execution of our new strategy, meant that the Group's risk landscape evolved – as shown in the Principal Risks section – and, similarly, the Group's approach to governance and risk management had to be adjusted.

Safeguarding our business through three lines of defence

The e& Board and its sub-committees have the ultimate oversight accountability for governance and risk management, which has been clearly articulated in the respective charters, and embrace its accountability seriously by fulfilling its duty through the Risk Committee. The Risk Committee approves the plan of activities for the Enterprise Risk Management (ERM) function and oversees the implementation of the ERM framework. As part of its oversight role, the Risk Committee has endorsed a Group-wide framework for effectively managing the principal risks affecting the achievement of its strategic objectives, which sets clear roles and responsibilities for the first line risk owners across the business.

The Group's governance structures and processes continue to evolve in response to the changes in the Group's operating model and different mandates set by the Board. The current governance model at the executive management level includes a Group Enterprise Risk Management Committee (ERMC), chaired by the Group CEO, supported by an additional ERMC for each of the Group's business unit verticals. Each ERMC is chaired by the respective CEOs, and membership includes all the respective management teams, the Group Chief Risk and Internal Audit Officer and the Group ERM team.

The implementation of this model allows the Group to drive standardisation on its approach to risk management across all verticals as well as the right level of coordination in the management of the Group's principal risks, while ensuring that the most important risks at any point in time are escalated to the Board, as part of the consolidated Group Risk Profile.

At an operational level, the ERMCs are complemented by Steering Committees that centralise the Group's response on particular subject areas that are transversal in nature, and which benefit from a coordinated and consistent approach to ensure an effective mitigation of key vulnerabilities.

Management remains ultimately responsible for ensuring the adequacy and effectiveness of the Group's control environment, thereby limiting the likelihood of risks materialising that could exceed the approved appetite.

The ERM function, through the existing governance structures, assists management by monitoring the implementation of effective risk management practices across the Group. Finally, Internal Audit provides independent and objective assurance to management and the Board on the adequacy of risk management and the effectiveness of the control environment and, through their mandate, facilitates the continuous improvement of the Group's governance practices.

The Group's ERM function provides support and oversight over our controlled subsidiaries, including our international operating companies (OpCos). Engagement with the local ERM teams takes place frequently covering a number of issues, from providing them with ERM frameworks, supporting risk reporting activities to coordinating on actual risk and issue response strategies. Group ERM annually assesses the maturity of risk management across the Group's subsidiaries and delivers a number of development opportunities to further enhance the risk and control environment across the Group.

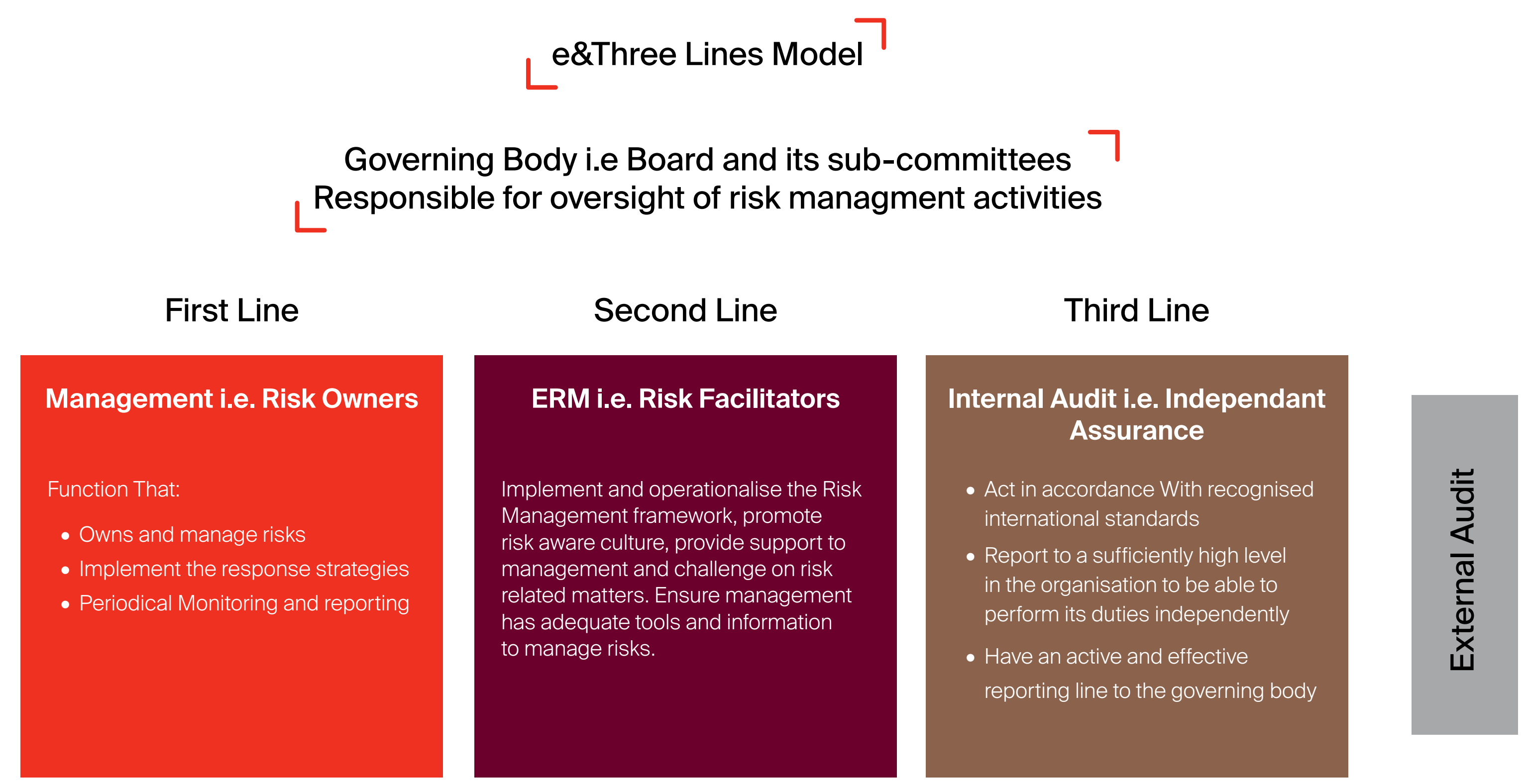
Managing uncertainty in line with our risk appetite

At e&, we believe that by adopting robust risk management practices when running the business and making strategic decisions, we will be in a better position to ensure we achieve our Group's strategic objectives. As a result, this year the Group continued to seek opportunities to further integrate risk management into its strategic decision-making process.

The foundation for embedding risk into day-to-day decisions is the approved risk appetite framework with the identified appetite metrics and agreed tolerance thresholds approved by the Board for several risk categories that cover our landscape. Our appetite framework was first introduced at the beginning of 2022, and we have since revisited and evolved it to ensure it remains relevant to support the ever-changing business needs.

e& risk governance structures

The three lines model at e&



Risk Management (continued)

The Group's ERM function performs a pivotal role in ensuring the resilience of our strategic plans and operations, including but not limited, to the following activities:

- Periodically scanning the environment to ensure that we maintain an up-to-date view of the key risks that may impact us at a macro level, and provide those views to management on a regular basis at various engagement points, including through reporting to ERMCs
- Monitoring our position against the approved appetite at a Group consolidated level to identify possible courses of corrective action
- Engaging with our community of risk professionals, risk champions and ERM teams in many of our operating entities and international subsidiaries, providing them with the right tools and training, and supporting them in order to achieve their objectives and continuously raise the bar in terms of the quality of risk management practices across the Group

Shaping the future – #makepossible

We have initiated efforts to review our ERM framework in response to feedback received by a number of our internal stakeholders over time. Examples of areas we are currently addressing include a greater focus on the identification and management of emerging risks, the consideration for opportunities (upside) that may be associated with risks as a mechanism to prioritise certain courses of action and strengthening the link between residual exposures and the Group's target appetite. The purpose of these improvements is to simplify risk management, making it more intuitive and understandable so that it can be adopted as a tool by the business.

Furthermore, we embarked on a journey to rethink what controls and assurance mean to the Group to enhance our risk oversight and better allocate our assurance resources. We must standardise and clearly articulate the roles and responsibilities for the first and second lines with a view to improve the level and quality of the assurance being provided to our executive management and the Board across key areas of risk to the Group. Our efforts include rethinking our approach to Combined Assurance, bringing together several internal assurance providers with an aligned understanding of the risk and control landscape and a single framework for planning, conducting and reporting assurance activities.

Principal risks

In accordance with our risk management process, we continually scan, assess and monitor the Group's risk and control environment, thereby proactively seeking to reduce risk exposures down to acceptable levels. In line with this process, the following summarises a number of our principal risks and describes the high-level approach to managing these risks. Principal risks are classified according to the level of influence and control we can exercise into systemic, strategic and operational. Systemic risks being those which we have little control over and operational risks those where we would expect to find detailed policies and procedures.

Systemic risks

Risk	How it might impact us	Our approach to managing it
Geopolitical threats	Ongoing geopolitical uncertainty poses continuous challenges.	Local expertise and knowledge are being leveraged to combat these challenges. The security of local employees is also being proactively managed.
Global macroeconomic conditions	Changes in global and regional economic conditions within several markets continue to present challenges. Hikes in interest rates negatively impacted the international subsidiaries financially and made it more expensive to service debt.	Fluctuating economic factors are considered during the annual planning process and influence key assumptions made in the budgeting process. Furthermore, given the generally high level of risk associated with the geographies where we operate, market conditions are analysed regularly as part of the forecasting process and assumptions are adjusted as required.
Foreign exchange exposures	The Group is exposed to the uncertainty of exchange rate volatility in some of the countries in which it operates. This volatility may affect consolidated results and the overall value of the Company's investments in overseas operations.	Group Finance, supported by the OpCos, has established policies, procedures and tools to monitor, manage and report such exposures. Constant analysis of current and future mitigation strategies are considered by the relevant governance committees, where innovative approaches to contain Group exposures are discussed.

Strategic risks

Risk	How it might impact us	Our approach to managing it
Disruptive competition by Over-The-Top (OTT) and digital players	The presence of OTT operators is a common threat across the telecommunications industry. It affects mobile voice revenues in several of the Group's more mature mobile markets. The increase in the use of Voice over Internet Protocol (VoIP) applications is cannibalising traditional telecommunication operators' revenues.	Various commercial strategies in response to such threats are continuously considered and implemented by respective commercial teams across the Group. These include a focus on shifting our prepaid customer base to post paid contracts and complementing those contracts with additional value-add services.
Pricing competition by telecommunication operators	The markets in which the Group operates are characterised by high levels of competition (existing and new), pricing pressures, market and product convergence, and significant customer anxiety.	The Company closely analyses and monitors the trends within these markets and invests in its networks to be able to offer competitive products and services. The growth and development of digital products and services is a further means of building lasting relationships with our customers based on impactful experiences to mitigate diverse competitive threats.
Regulatory pressures and uncertainties	As the Group operates in diverse and developing markets, it faces ongoing regulatory and legal challenges. Governments and regulatory agencies can alter existing policies and implement new ones, which can significantly influence the operations and financial performance of the Group.	The Group proactively continues to take formal positions on a number of policy areas impacting the telecommunications industry and aims to support regulators in the markets where we operate to make the best decisions possible with the interests of customers at heart. These challenges are managed by the regulatory departments of our subsidiaries, with the support from the Group's Regulatory Affairs team.

Operational risks

Risk	How it might impact us	Our approach to managing it
Cybersecurity	The threat of external cyber-attacks across the Group network and IT infrastructure is ever-present.	Network and IT security teams proactively monitor activity across the Group's networks to identify and mitigate possible cybersecurity threats and vulnerabilities or actual breaches in data privacy. We have further strengthened our cyber risk management programme by revisiting key controls and performance indicators.
Availability and quality of service	The sustained continuity of the Group's network across all its operating companies is vital for its continued success. The Company faces threats of disruption, malfunction and loss of/damage to network infrastructure due to natural disasters and other uncontrollable events.	The Company has established a Business Continuity Management team to develop and test business continuity plans and crisis management arrangements. Insurance policies are in place to make provision for infrastructure and property damages.
Data privacy and protection	With the introduction of the UAE's Data Protection Law, there is increased scrutiny for the manner in which corporates collect, store, and use their different data assets. Failing to ensure we only use personal and customer data in an ethical manner can result in legal action, financial penalties and significant reputational damage.	The Group is taking data privacy seriously by ensuring we set ourselves up for success to meet the highest standards not required by the law, but that our customers expect from us. In 2022, the Group launched a task force to perform a gap assessment to the new law and drive the necessary realignment in our internal processes to ensure full compliance.
Third-party exposures	The Group is exposed to a number of risks when engaging third-parties depending on the nature of the relationship or of the products and services procured. Possible areas of risk include but are not limited to the following: · Business continuity failures in cases where there is reliance on third-parties for critical processes · Legal exposures due to non-compliance with laws and regulations · Security vulnerabilities and data loss as a result of sub-standard control environments when accessing and managing data on behalf of the Group.	In 2022, the Group approved a new Third-Party Risk Management Policy, which sets out key principles and requirements to managing all exposures associated with the engagement of third-parties in a holistic and comprehensive manner. The implementation of the policy is enabled by the adoption of a central supplier due diligence platform that will support the vendor risk management requirements going forward. The scope of the policy covers all our fully owned and controlled subsidiaries.
Litigation risk	As with any other organisation, the Group is subject to the risk of litigation by competitors, customers, regulators and other parties. This can affect the financial performance and reputation of the Group's OpCos.	Legal counsel within each OpCo oversees and actively manages such litigation cases. Where required, the Group's legal team also provides support to the OpCos.
Other financial exposures	The Group's financial assets and liabilities are exposed to additional financial threats, including interest rate risk, liquidity risk and credit risk.	Financial risk management is discussed in greater detail in the 'Financial Instruments' section of the 2022 Annual Report.

Human Capital

With people at the heart of our success, e&'s Human Capital focused on facilitating the Group's strategic progress and financial performance by creating a purpose-driven culture with a competent, engaged and diverse workforce at every level across our organisation.

Human Capital highlights for 2022

52%
Emiratisation
Highest in company's history 2nd year in a row

25%
Gender Diversity
Highest in company's history 2nd year in a row

25%
Internal Mobility
Highest on record

84%
Gen Z Increase
Employees under 25 years old were 0.4% in 2020, now 4.6% in 2022

3%
Voluntary Attrition
Lowest on record

11%
Increase in Positive Sentiment
Employee Voices pulse survey YoY

188
Graduates Hired into our AI Programme
440% increase in graduates from 2019

100%
Successors Identified for L0/L1/L2 Positions

Talent powering our new operating model

e& has embarked on a long-term, transformational journey, focused on diversifying into new, high-growth digital businesses while strengthening its leadership position in existing markets. To deliver this strategy, we had to rethink our operating model and redouble our focus on attracting and retaining the best possible talent to enable us to achieve our vision.

Developing our new operating model was critical to ensuring the proper alignment and capabilities to deliver our new strategy. e& is now structured to be agile enough to face the shifts, challenges and opportunities that arise internally and in the external market.

To deliver this operating model in an environment of rapid change, we are working to ensure that we have the right talent in every position to support evolving business priorities. Strategic workforce planning enables e& to identify the talent needs associated with the organisation's future strategic goals. It also defines a people strategy that ensures the organisation has the right mix of talent, technologies and employment models to reach these goals.

During this year, we have begun implementation of the three-year Strategic Workforce Plan that was launched to drive business growth and cost efficiencies. Moreover, by designing robust reward programmes aligned to the new operating model and having competitive compensation structures to attract and retain highly specialised talent, we have put in place the proper incentives to deliver on our strategy.

Shifting mindset for global scale

As e&'s transformation to become a technology and investment group progresses, the organisation is also transforming from a regional entity to an international entity with a global footprint. The aim is to pursue a larger market share through acquisitions, which will lead to greater scale and complexity across an increasingly dispersed and diverse workforce.

This process has resulted in a shift to a growth mindset with a deep focus on agility and curiosity, a prerequisite to developing a future-ready business model. We are also becoming an enterprise-wide cross-organisational partnership with a perspective focused on building partnerships and scaling synergies across the Group.

The future will be transformational-driven with a dual focus on 'performing and transforming' while allocating equal time, energy and resources to both. More importantly, e& will keep digital at its core by embracing breakthrough technologies.

To stay true to this transformational stage, the values of e& will also transition to a new set of values, behaviour and rituals. In 2022, e& changed the competency framework linked to performance management, succession plan and talent acquisition.

New competencies were developed to reimagine and redefine current and prospective talent behavioural expectations. These included defining core and leadership behaviour around engage&inspire, evolve&adapt and achieve&grow.

This move set the stage for a universal talent language that provides critical metrics and key indicators across talent acquisition, internal mobility, succession planning, performance management, L&D, and leadership or talent development.

The impact of this shift will be manifold across the Group. Firstly, it standardises how e& as a Group defines competencies and potential, allowing for like-for-like comparison between verticals, industries, and across geographies. Secondly, it embeds a new culture of expectations regarding working styles, attitudes, mindsets, and 'How' people go about completing tasks, achieving goals, and engaging with others.

At the same time, our performance management framework is being redesigned from the ground up. This is closely tied to e&'s competencies, with a priority on clarity, fairness, simplicity and engagement around process from the talent pools so that performance is meaningfully connected to the objectives (what) and behaviour (how).

We revamped the recruitment process to hire and fill roles effectively and efficiently. Key measures included reducing the number of approvals, documents, and clicks to accelerate decision-making and agility.

To enhance our employee experience, we launched HR Connect – a vibrant online platform with the latest updates, news, and events to help employees stay in the know. We also revitalised our onboarding sessions to introduce new joiners to the e& story and structure and everything they need to settle in their first few weeks.

Human Capital (continued)

Our strategic approach to Human Capital

Our Human Capital Vision: To transcend the organisation to enable a Healthy and Agile Culture that drives Accelerated performance.
Our Human Capital Purpose: To be a strategic partner to enable organisational excellence by developing and inspiring critical skills to accelerate business performance and ambition.
Our Human Capital Strategy: To become a 'Talent Magnet' and 'the Best Place to Work' while building 'Functional Excellence' and a workforce that is 'Skilled for the Digital Future'.
Our Human Capital Future State: To be recognised as the Best Place to Work

A year of outstanding achievements

Last year, we were featured on Forbes's "World's Best Employers" list for the first time in our organisation's history, and we were the #1 Tech Company from the Middle East and just one of four companies from the UAE.

During 2022, our new operating model and organisation structure were launched and delivered immediate impact in alignment with our new strategy. The operating model reduced complexity, moving to seven employee levels from nine previously, through a process that involved evaluating over 2,500 jobs, modifying over 1,200 roles and creating over 300 new roles across the Group.

Our focus on diversity, equity and inclusion was sustained during the year, with gender diversity reaching its highest-ever level of 25%. Emiratisation stood at 52% at year-end, demonstrating our commitment to attracting, developing, retaining and engaging UAE National talent at every level of the Group. We also participated in the NAFIS initiative with the goal of hiring and empowering over 500 Emirati professionals within 5 years across our retail, customer service, technology, and IT verticals.

In 2022, we hired and onboarded 151 UAE Nationals through the NAFIS programme, exceeding our target of 100. We signed an MOU to hire UAE Nationals in remote areas such as Al Dhafra, from which 43 Emiratis were hired into contact centre roles under NAFIS to work fully remotely. Furthermore, our Gen Z employees continued to grow this year, with 5% of our employees being from Gen Z.

	2020	2021	2022
Emiratisation (FTE)	49%	51%	52%
Gen Z (FTE) 100% of our Gen Z are UAE Nationals Generation Z (or Zoomers), refers to those who were born between mid to late 1990s and the early 2010s and are currently ages 25 years and below.	0.4%	3%	5%
Gender Diversity (FTE)	22%	24%	25%

We carried out a total revamp of our Rewards Framework this year, updating pay scales based on market movement and updating short-term and long-term incentive plans to ensure competitiveness for top talent. We are proud to now have consistent benefits for all employees for the first time in the Group's history – regardless of gender, marital status or tenure.

We witnessed our lowest voluntary attrition on record at just 3%.

An engaged and productive workforce

To encourage a culture of continuous improvement based on consistent feedback, we reinforced quarterly feedback this year and implemented a performance improvement programme to identify, support and manage underperformers. We also kicked off a design thinking sprint model to redesign the Performance Management Framework.

We continued our 'Always on' listening approach and conducted quarterly Employee Engagement Surveys, as we have been doing since Q4 2021. This enables us to identify issues and take action quickly through a culture of constant communication and continuous feedback. During this year, we saw a 11% jump in positive sentiment.

Building capabilities for success

As we implement and support our new operating model, we continue to work to ensure that we have the right talent at every level across the Group. To this end, we launched our new Internal Mobility Policy in January. This resulted in 25% of vacant roles during the year being filled internally, which is the highest rate on record in Group history.

Furthermore, we continued to develop and implement our succession plan for 252 critical roles identified within the Group. As of year-end, interim successors were identified for all L0 and L1 roles, and 91 successors were identified for L2 positions. We also designed our Successor Development Framework and Competency Framework to support robust succession planning.

We continued our focus on learning with iQra, our online learning platform, which we rolled out to our international operations in Afghanistan, PTCL and Etisalat by e&, Egypt with a total of 269,072 learning hours.

To drive the development of our current and future leaders, we launched our Group Organisation Leadership Development Programme (GOLD) in 2022. This 12-month targeted programme features training from top global academic institutions, including Cornell, MIT, Wharton and Columbia Business School. Cohort 1 featured 105 hand-picked participants, while Cohort 2 of Gold will include 46 participants from across our operating companies.

We also continued to prioritise the development of our leaders of tomorrow in the skills required for the future of work. Our highly competitive AI Graduate Programme is focused on ensuring a robust talent pipeline in the Group by training our future leaders. Since the start of the Graduate Programme, 188 Graduates have been inducted, which is a 440% increase in Grads from 2019.

Progressing our Human Capital strategy in 2023

In the year ahead, key Human Capital initiatives will continue to support strategic progress across the Group and our ongoing transformation from a telco to a world-leading technology and investment group. Codifying our DNA through a Group-wide culture transformation, articulating our Employee Value Proposition, reskilling and upskilling employees to meet future workforce needs, and revamping our Performance Management Framework are all high on the agenda. These efforts will ensure that e& is:

- A 'Talent Magnet' to enable e& to attract and retain top talent
- The 'Best Place to Work' by delivering a people-first employee experience for a productive workforce in a highly engaged culture
- 'Skilled for the Digital Future' by building a high-performing workforce with the right capabilities aligned to the future of work
- A centre of 'Functional Excellence' to deliver a world-class HR and capture synergies across the Group.

Sustainability

Sustainability is at the core of everything e& does. Clear sustainability principles have always guided us throughout our journey of progress, diversification and growth. We are committed to having a positive impact on our communities, while at the same time maintaining sustainable success.

2022 was a defining year for sustainability and climate action for e&. Our senior management formed a Sustainability Steering Committee, and we began the process of developing a Group sustainability strategy framework for the next five years.

This framework will fully integrate sustainability into everything we do, with the vision of spearheading digital transformation and connectivity for a sustainable and inclusive future for all.

Throughout the year, workshops were conducted for employees on sustainability, CSR and ESG-related topics, while senior management conducted extensive high-level briefings and presentations with the Board of Directors on our strategic sustainability initiatives and agenda.

Progressing our Sustainability agenda across our Group

During 2022, e& officially declared its net zero targets, with Her Excellency Mariam bint Mohammed Almheiri, Minister of Climate Change and Environment, during our participation at the 27th Conference of the Parties of the UNFCCC (COP27) in Sharm El Sheikh, Egypt.

We pledged our commitment to achieving net zero within the Group's own operations in the UAE for Scope 1 and 2 emissions by 2030, focusing on key initiatives to reduce its carbon footprint through improving energy efficiency, sourcing renewable energy and reducing networks waste, among other initiatives.

To reach net zero, we are committed to accelerating the de-carbonisation of activities while focusing on mobile network modernisation with the deployment of the latest generation of energy-efficient radio equipment, increased use of renewable energy sources and carbon offsetting initiatives.

In line with this commitment, e& will support the UAE Net Zero by 2050 Strategic Initiative and the UN's Sustainable Development Goals (UN SDGs). It has also committed to support the Global System for Mobile Communications Association's (GSMA) initiative to take the entire mobile industry to net zero carbon emissions by 2050.

In Morocco, Maroc Telecom Group has been integrating sustainable development into its growth strategy, centred on three principles: economic efficiency, social equity and environmental responsibility.

Through empowering technology, encouraging innovation, creating value for all its stakeholders, and providing opportunities for distinction in its competitive environment, etisalat by e& Egypt worked to better people's health through its multi-faceted medical caravans. It continues to provide these medical caravans with more specialties and medical services in rural areas in a paperless and eco-friendly manner.

Pakistan witnessed some of the worst natural calamities in its recent history. PTCL Group (PTCL, Ufone and U Microfinance Bank) was among the first corporate players to respond to the situation by deploying its resources across the flood-affected areas. PTCL, Ufone and U Microfinance Bank announced a PKR 1.75 billion grant to aid in the relief and rehabilitation activities, while Ufone offered free phone calls in the flood-affected areas.

Etisalat Afghanistan handed over a cash donation to Afghanistan Red Crescent in Kabul to support the families affected by the earthquake in Paktika, Khost and Paktia provinces, and distributed cash donations to 200 families affected by the devastating floods in the Khoshi district of Logar province.

Awards and recognitions

e& received many prestigious awards and recognitions during 2022 for its CSR and sustainability initiatives. In the UAE, e&'s CSR team was recognised by the Mohammed bin Rashid Global Initiatives' 'One Billion Meals' team. 'Make-a-Wish Foundation' UAE also honoured e& for supporting its mission in granting wishes of children suffering from critical illnesses.

etisalat by e& Egypt received three awards, namely the CSR and Sustainability Award by Amwal El Ghad, the Kheir Award for the 'Most Sustainable Projects of the Year' by the Arab League and the Arab Council for Social Responsibility, and 'Most Impactful Project of the Year' for its Momken Project by Misr El Kheir Foundation.

In Pakistan, PTCL and Ufone received a letter of commendation from Samina Arif Alvi, the First Lady of Pakistan, in recognition of the Company's efforts to raise awareness of breast cancer in Pakistan.

Protecting our environment

As a technology group, we are committed to managing our environmental impact and protecting natural resources. etisalat by e& supports Dubai Can, a sustainability initiative by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Dubai Crown Prince and Chairman of The Executive Council of Dubai, which aims to provide free and safe drinking water to the public while also cutting down on the country's use of single-use plastics.

Maroc Telecom Group continues to implement various initiatives that aim to limit the environmental impact of its activities through the use of renewable energy, more cost-efficient or energy efficient technologies and improving the digitisation of its operations. It is participating in the Voluntary Carbon Offset Programme launched by the Mohammed VI Foundation for Environmental Protection and is engaged in the Foundation's beach protection project 'Plages Propres'.

In line with e&'s strategy to adopt clean and renewable energy solutions utilising the latest technologies, etisalat by e& Egypt worked with etisalat by e& in the UAE to identify the sources of Greenhouse Gases (GHG) and calculate the emissions within e&'s own operations in the UAE. A plan to implement more energy efficient equipment, cooling technologies and Machine Learning (ML) capabilities were developed to break the energy curve and improve energy efficiency in its networks. The plan includes the deployment of onsite renewable energy based on solar panels and adopting low emission alternatives, such as hybrid batteries in off-grid sites.

The initial deployment of hybrid solutions based on high capacitor batteries in off-grid sites in etisalat by e& Egypt and Etisalat Afghanistan provided significant reduction in diesel fuel consumption. Furthermore, etisalat by e& Egypt signed a power purchase agreement (PPA) with SolarizEgypt to build a power plant in Gouna to supply clean renewable energy to etisalat by e& Egypt's mobile access network. etisalat by e& Egypt also partnered with Bariq to create a full programme to raise employee awareness about sustainability and their role in safeguarding the environment. This project was developed as part of the CSR pillar 'Environment and Climate Change' and builds on the Company's 'Responsible Employees' focus.

PTCL and Ufone commit to furthering Pakistan's pledge to reduce its carbon footprint for a greener and sustainable future. PTCL's Razakaar (Employee Volunteer Force) carries out tree plantation drives every year nationwide with the slogan 'We plant so the world can grow'. Under the theme of 'Let's Go Green' and commitment towards cost optimisation and caring for the environment, 'Reduce, Reuse, Recycle' initiatives were launched in Etisalat Afghanistan to raise awareness among employees about energy conservation and reducing paper consumption.

Continued environmental focus in 2023

Following the declaration of e&'s net zero targets by 2030 in COP27, our programme outlined a clear net zero carbon emissions roadmap to advance our sustainability initiatives.

We will also work closely with partners to recycle old electronic devices to help promote responsible waste management practices among the community and safeguard the environment for future generations.

e& constantly manages its environmental impact and strives to protect natural resources by strategically investing in sustainable and innovative solutions. Over the past decade, e& has strategically invested in fibre optic infrastructure, which has technical and environmental advantages over traditional networks.

The Group's current operations will continue to focus on best practices of reducing energy consumption, minimising waste and developing sustainable architecture to achieve a positive environmental impact.

1st UAE private sector entity to join the UAE Independent Climate Change Accelerators (UICCA)

Sustainability
(continued)

Engaging our communities

Community development remained a priority for e& in 2022. Across our footprint, we remain committed to nurturing and maintaining the health and wellness of communities where we operate.

etisalat by e&, through its Smiles online marketplace, partnered with the Mohammed Bin Rashid Al Maktoum Global Initiative to support the 'One Billion Meals' campaign aimed at providing one billion meals for disadvantaged people and families from nearly 50 countries. etisalat by e& also supported the Most Noble Numbers charity auction, where etisalat by e&'s Diamond mobile numbers collectively sold for AED 5.42 million for the 'One Billion Meals' initiative.

We also partnered with Mohammed bin Rashid Global Centre for Endowment Consultancy under the Awqaf and Minors Affairs Foundation when they launched the 'Bread for All' campaign, with the aim of providing freshly baked bread to families and workers in need.

We worked closely with the Emirates Red Crescent and relevant authorities in the UAE to provide financial aid to meet the needs of families displaced by Pakistan's torrential rains and flash floods. The Group launched a fundraising campaign internally in collaboration with Emirates Red Crescent to provide employees an opportunity to contribute to the aid.

e& also took part in an open day event, where our staff spent time with senior citizens at the Khawaneej Majlis in Dubai, to commemorate International Day for Older Persons.

etisalat by e& Egypt built on its core business to partner with one of the leading telemedicine platforms, 'Doctor Online' which offers free medical consultations via Doctor Online, in partnership with the Consumer Segment team to support its 2022 Ramadan campaign.

Etisalat Foundation for Community Development and Care, a non-profit organisation acting as the development arm of etisalat by e& Egypt, has partnered with the World Food Programme this year to implement 'Healthy Nutrition for a Healthy Generation' on its digital platforms which aims to prevent malnutrition by digitalisation and technology.

In terms of inclusivity, the Foundation teamed up with Misr Elkheir Foundation (MEK), Child Health and Disabilities Centre at the Faculty of Graduate Studies for Children, Ain Shams University and By-Pass for its Momken Project, which supports children with disabilities via leveraging the use of technology and digital platforms. It also launched a digital version of the main copy of Ramadan 2022 ad, translated into sign language for the second consecutive year, as part of its continuous support of the deaf and hearing-impaired community. etisalat by e& Egypt also teamed up with the Advance Society with Persons with Autism and Other Disabilities to instil and support the inclusivity of neuro-behavioural disabilities through its 'Including You!' project.

To mark International Women's Day 2022, PTCL Group organised a week-long campaign to raise awareness and galvanise support to end gender discrimination in the workplace. Under this year's theme, '#BreakingTheBias', both men and women from PTCL and Ufone pledged to help create a diverse and inclusive workplace by helping end gender stereotypes and bias against women at work and in society.

PTCL Group is part of Pakistan Telecommunication Authority's initiative to reduce the digital gender gap in Pakistan via initiatives related to accessibility, affordability and digital skills. PTA signed agreements with PTCL and other telecommunication companies at its own event, 'Connected Pakistan: Accelerating Gender Inclusion in ICTs. Shaping Digital Futures'.

Following Ufone's commitment to GSMA to significantly expanding its women customer base by the year 2025, it aims to bring high-speed connectivity to 15% more Pakistani women to enhance their participation in the mainstream socio-economic system. PTCL and Ufone joined hands with the National Emergency Centre, Government of Pakistan to extend its support for polio eradication from Pakistan. Both also signed an agreement with the Pakistan Poverty Alleviation Fund to foster digital and economic inclusion of women entrepreneurs in the country.

Increasing community impact in 2023

In the UAE, e& will continue focusing on its volunteering programme in 2023 to enhance the sense of giving and participation among its own employees and or external stakeholders. It will also continue to support and empower communities by connecting them with advanced solutions to maximise its social impact by driving innovation, entrepreneurship, social integration, and equal opportunities.

etisalat by e& Egypt will continue to elevate the sustainability and eco-friendly projects and initiatives in 2023. It plans to raise the employees' awareness on sustainability and create actual change within them that would cause a ripple effect, as well as document and report the company's data and activities according to international standards.

PTCL Group is planning a national level educational support initiative in 2023 wherein promising students will be provided scholarships for higher studies at top universities in Pakistan, in addition to a women empowerment programme.

Etisalat Afghanistan plans to carry out an Etisalat Annual Quran Contest, a Ramadan food distribution relief, a tree plantation drive, a mosque renovation, support orphanages and girls' primary schools and other community projects.

Sustainability at e& in 2023

Through our commitment to enabling a low-carbon society, we will continue focusing on our climate action ambitions and journey towards achieving our net zero targets by 2030. We will ramp up our efforts to address pressing issues such as climate action, environmental conservation, as well as the provision of safe, efficient and environmentally friendly products and services that help mitigate climate change.

e& remains committed to giving back to the society; contributing towards national and global ESG ambitions such as Sustainable Development Goals and climate agreements; driving digital transformation of the society and enhancing penetration of digital skills and infrastructure; as well as steering rapid digital transformation within the economy to help other sectors decarbonise and meet ESG ambitions.

etisalat by e& Egypt's sustainability and CSR efforts and strategy will continue to focus on the brand's commitment to better the lives of Egyptians through elevating health services and maintaining people's access to technology, while increasing its focus on environment and sustainability.

PTCL Group's sustainability and social responsibility will put greater emphasis on promoting higher education and learning in the country. PTCL Group plans to offer scholarships to promising youth to pursue higher education degrees at the top universities in the country.

Etisalat Afghanistan will focus on humanitarian aid, social and cultural initiatives, as well as on a range of environmental programmes.

Commits to a net zero operation in the UAE by 2030

03 Operating Review

etisalat by e&

etisalat by e& maintained momentum and demonstrated its strength during 2022, delivering strategic progress and outstanding results across the business. Recognised as the leading Emirati brand and the most valuable brand in the UAE, etisalat by e& focused on customer-centred innovation to continue to strengthen customer loyalty and create value for the Group.

About etisalat by e&

etisalat by e& continued to maintain its outright market and value share leadership in both mobile and fixed services, by providing comprehensive telecom solutions for Consumers and Businesses, relying on one of the best and most advanced telecom networks globally. Further, etisalat by e& continuously explores new possibilities to enhance the delivery of a portfolio of digital services across target segments.

For Businesses, etisalat by e& is a trusted partner and acts as an advisor by providing advanced next-generation ICT services on top of core connectivity, such as private networks, industry ICT solutions, managed services, and AI-enabled Smart Solutions.

For Consumers, our primary objective is to win customers' hearts and minds in the digital age, by expanding our portfolio of digital services and offering unique and superior customer experiences. In turn, this will allow us to enrich and cater for consumers' new lifestyles and emerging demands, such as gaming, lifestyle services, health and insurance.

etisalat by e& also provides leading Carrier and Wholesale services, providing voice, messaging, roaming, connectivity and satellite services along with inter-operator international and domestic services. Our Carrier & Wholesale services ensure the efficient flow of data traffic through our global backbone network of sub-sea and terrestrial cable systems.

A bold vision for the future

In line with e&'s vision, etisalat by e& will continue playing a pivotal role in creating more value for the Group, its shareholders and its customers. etisalat by e& will maximise revenue growth via diversification, deliver profitability by enhancing efficiency through AI, and support synergy maximisation across the Group.

Technology evolution, cloudification and changing customer behaviours have created a renaissance in connectivity thus providing new growth opportunities for the telecom sector. Telcos can leverage these opportunities by introducing innovative products and business models, harnessing technology transformation, enhancing customer experience and driving digitisation across their operating models.

etisalat by e& is strongly positioned to fully capitalise on upcoming growth opportunities with its solid customer base, strong leadership position across all sectors, technology superiority, wide-ranging product portfolio, digital incubating capabilities and talented team.

Building on its competitive advantages, etisalat by e& has defined its 2030 strategy with an aspirational vision, specific goals and clear strategic pathways, which will enable etisalat by e& to capitalise on all opportunities and continue to maintain its leadership position across all areas.

etisalat by e&

Continue leadership position in core and enhance digital customer experience and operational agility

etisalat by e& 2030 Strategy: Grow-Scale-Excel-Transform

2030 Vision

To be the customer champion in a hyper-connected digital world

Utilise technology, analytics and innovation to foster ideas and deliver suitable and amazing experiences and services to all our customers

2030 Goals

- Grow Core Revenue
- Increase Digital Revenue Contribution
- Create Additional Value for Carved out Entities
- To be the Best CX Provider in UAE
- Best Tech Employer of Choice in Middle East
- Generate Higher Cumulative FCF

Strategic Pathways

- Grow Share of Wallet in Core & Beyond
- Scale and Monetise New Growth Engines
- Excel in World-Class CX Delivery
- Transform into an AI and Data Driven Organisation

etisalat by e& (continued)

etisalat by e&'s Vision: "To be the customer champion in a hyper-connected digital world" guides etisalat by e& to utilise technology, analytics and innovation to foster ideas and deliver sustainable and amazing experiences and services to all its customers. This will enable etisalat by e& to realise revenue growth across core and digital services, create additional value for shareholders, provide the best customer experiences in UAE across all segments, be the best tech employer of choice in the region and generate higher Free Cash Flows.

To realise its Vision and Strategic Goals, etisalat by e& will focus on four strategic pathways:

Grow
Share of Wallet in Core & Beyond

etisalat by e& will enhance its role in consumers' lives by capturing a greater "share of moments" and positioning etisalat by e& as a provider of digital experiences. Whereas, for the business segment, etisalat by e& is aspiring to become the prime Telecom Orchestrator in the UAE thus powering the 4th Industrial Revolution. etisalat by e& will continue to add value to its core by blending with a growing portfolio of digital solutions for consumer and business segments along with accelerating migration to B2B Next-Generation services. This will be supported by network and technology leadership, thus driving value capture of the addressable wallet share across all segments.

Scale and Monetise
New Growth Engines

etisalat by e& is aiming to become an incubator of digital services to maximise value via a process in which it will 'experiment – grow – nurture – carve-out – monetise' digital engines. This will be delivered via the adoption of innovative operating models to drive valuation upsides for shareholders whilst maximising synergies with the core business. etisalat by e& has defined a clear path for growing digital services that combines the optimum mix of organic and systematic inorganic moves.

Excel
in World Class Customer Experience Delivery

etisalat by e& recognises Customer Experience as being a differentiator to retain and create value for its customers. As such, etisalat by e& has enhanced its strategic focus on Customer Experience delivery and is transforming all aspects of its Experience offerings, including journeys, insights generation, governance, processes and culture. etisalat by e& is committed to enhancing the digitisation and personalisation of experiences through the implementation of AI.

Transform
into an AI & Data-Driven Organisation

etisalat by e& will continue simplifying and automating business processes to drive efficiency and agility along with acquiring/ reskilling required talent in line with future ambitions. etisalat by e& will also enhance its AI-driven analytics capabilities to further support informed decision-making across all areas and to progress on its internal and external data monetisation journey.

Accelerating digitisation and diversification

In Consumer, we continued expanding our digital and adjacent services' portfolio in scale and scope by positioning etisalat by e& as a provider of digital experiences rather than a pure connectivity play and accelerated our efforts in delivering unmatched value across traditional core and new digital propositions.

In line with our strategy, we have introduced GoChat Messenger, a new all-in-one free voice and video calling app, giving customers the flexibility of accessing unique features within one application. Within one year of launch, GoChat gained over 2 million users from all over the world. etisalat by e& also introduced new propositions, blending connectivity and digital benefits, such as New Freedom plans, Content Passes, and eLife Ultra packages.

For Smiles, our leading loyalty/rewards platform, 2022 was a pivotal year as we expanded the range of services offered through the platform. Smile users can now order groceries online due to the integration with ElGrocer via a "shop-in-shop" concept, and order food from a continuously expanding range of outlets. Moreover, in November, Smiles introduced Qatar Offers; a new section with offers catered for Smiles' users attending the World Cup. Of note, the Smiles base crossed the 3.3 million users mark.

When it comes to the Business segment, 2022 was packed with many accomplishments, as etisalat by e& has positioned itself as the prime connectivity partner for Hyperscalers, while also supporting businesses in adopting a cloud-first approach and simplifying their digital connectivity needs.

For SMB Customers, etisalat by e& launched Business Pro, an E2E smart and secure connectivity bundle designed specifically for the SMB mass market. etisalat by e& also expanded the SaaS Market Place, which is a portfolio of Software as a Service (SaaS); on-boarding over 30 new Individual Software vendors (ISVs) under multiple categories to serve SMB customers.

etisalat by e& has also seen significant growth in 5G M2M connections and services via the delivery of several 5G private network PoCs and projects. Further, Connected Car services became a key driver for growth in 2022, with a surge in new contracts with leading automotive companies, such as Honda, Ford, Toyota and others.

In addition, when it comes to our Network leadership, etisalat by e& aims to continue its leading position locally and globally as the fastest mobile network on earth. etisalat by e& also played a major role in maintaining UAE's position as the World leader when it comes to Fibre to the Home (FTTH) penetration. Our continuous FTTH deployment coupled with relentless improvement programs in our fixed network has propelled UAE to be among the top 10 fastest countries globally.

Driving continuous innovation

We are inspired by the future and the limitless possibilities we see in it; we expand and improve our services with the customer always in mind, investing in innovative ideas and going beyond our traditional telecom capabilities.

etisalat by e& launched many innovative products, services and initiatives in 2022, such as:

- Established a leadership position in Metaverse use cases, with the launch of 'e& universe' at GITEX Global 2022, starting with Smart Home Zone, Arena Zone, and Concert Arena
- Launched GoChat Messenger, an all-in-one free voice and video calling app, providing customers with many unique features within one application
- Expanded Smiles into the online grocery space via the introduction of a "shop-in-shop" allowing a fully operational, Smiles-branded grocery experience for all UAE residents
- Expanded our portfolio of unified communication, collaboration, and contact centre solutions, allowing organisations to shift from legacy voice solutions to agile, secure, and fully managed cloud communication solution
- Launched major IPTV turnkey solutions for healthcare and hospitality verticals, providing full integration to hospitality/healthcare information systems.

In 2022, we continued to leverage advanced AI and Automation technologies to drive impact at scale, resulting in significant improvements in our operations in areas such as:

- More than 80% of consumer transactions are now handled through our digital channels
- Reduced field technicians' time for business services provisioning from 3 hours to 30 minutes
- Reduced provisioning time for Autonomous Network fulfilment of transport links from 30 days to 4 days, in addition to reducing nodes provisioning and links activation from 5 days to 30 minutes
- Achieved a 55% reduction in IPTV complaints thanks to enhanced Self-care capabilities
- Reduced Business service requests fulfilment lead time by 30%

Enhancing service and experience for customers

We understand that a continuous focus on customer experience and further acceleration of our digital footprint will play a pivotal role in winning customers' hearts and minds. To this end, we appointed within our organisation a Chief Customer Experience Officer, directly reporting to our CEO. This is a first for etisalat by e& and demonstrates our unwavering commitment to excelling in customer experience.

2022 was notable for several experience achievements; Consumer digital sales grew four-fold compared to 2021, enabled by major enhancements to digital & self-assisted channels. Another milestone was integrating UAE Pass into 'My etisalat' app, increasing app adoption, and boosting registered users to 4.75 million by year-end. 'My etisalat' app also gained several new features and capabilities, as well as new payment methods, helping increase app satisfaction.

etisalat by e& also expanded its personalised deals section 'Make your own offer', allowing customers to configure their personalised post-paid deals in real-time and enjoy them instantly. etisalat by e& also continued the roll-out of Next Generation stores aimed at providing a brand-new retail experience with a strong focus on self-service, reaching 75 stores by end of 2022.

For Consumer customer care, etisalat by e& scaled up the capabilities of its AI-powered Virtual Assistant, and also expanded automated functions by adding more than 400 Robotics Process Automation (RPA) robots, and launched a WhatsApp-based care channel, providing customers a new fast and convenient care channel.

For Business customer care, etisalat by e& launched 'Unified Helpdesk', a unified helpdesk for its bespoke customers, with a dedicated team offering support through a dedicated email and toll-free number. Similarly, etisalat by e& launched the 'Global Helpdesk', an end-to-end support desk for global customers, available round the clock, provided through a team of dedicated service advisors as well.

Continued growth and strategic progress in 2023

In 2023, we will build on the results and achievements of 2022, with a focus on expanding our portfolio of digital and adjacent services and thus growing digital revenues. Moreover, we have ambitious plans for Smiles based on further growth and consolidation into a Super-App.

We will deploy a unified platform for mobile services for Business customers and deploy private networks, and accelerate 5G rollout, while also establishing a 5G centre of excellence to support customers to create new offerings and derive increased value from 5G.

We also plan to consolidate the wholesale business of operating companies, with a focus on the messaging domain, as well as grow our data business by attracting more customers to the SmartHub eco-system and launching Fibre-to-the-Room (FTTR).

Internally, we will scale up our implementation of AI as we progressively transform into an AI and data-driven company. This will encompass optimisation of our governance model around data management, growing our AI use case factory, and adopting an AI-first approach across our business and operating models.

Given the evolving needs of our customer base and our appointment of a dedicated customer experience executive, we will continue with our unparalleled focus on customer experience as we continue to enhance all customer journeys and channels.

Finally, we will continue to explore and invest in Metaverse technologies, engaging and monetising one of the most exciting social landscapes. We are looking forward to deploying real-life applications that will enrich and create long-term value for our customers and shareholders.

e& international

Across our broad and diversified footprint of market-leading telecommunication and digital assets covering the Middle East, Africa and Asia, e& international delivered strong organic growth during 2022 while continuing to innovate, forge ground-breaking partnerships and deliver exceptional service to millions of customers each day.

About e& international

e& international drives the Group's portfolio of international telecommunication and digital assets outside the UAE. With operations spanning 15 countries across three geographic regions (Middle East, Africa, and Asia), our customer base exceeds 148 million customers and generates revenue of AED 20.4 billion, representing 39% of the Group's consolidated revenue and EBITDA of AED 9.7 billion – 37% of the Group's consolidated EBITDA – at an EBITDA margin of 48%.

With a robust and well-established governance process, we actively and continuously engage with our operating companies to drive customer experience leadership across the footprint, built on competitive propositions and a resilient, technologically relevant and efficient infrastructure, while simultaneously driving scale and scope synergies across the Group.

Our strategy to LEAD the way across our international footprint

As we look to the future, e& international's vision and strategic priorities revolve around our ambition to become the "centre of digital life for customers across the world". We seek to both maximise value creation from our current portfolio and strategically expand our international footprint. Four key pillars form the foundation of our 'LEAD' strategy:

Lead in Organic Growth	Expand Internationally	Accelerate Digital Services	Drive Scale Synergies
e& international's strategy is to implement a broad range of levers to improve value creation of our core telecommunication business and grow revenue market share across the footprint. This will be delivered by focusing on customer experience leadership through our superior network and product offering, implementing innovative commercial propositions that are tailored for the needs of a richly segmented customer base, and continuing to roll out our best-in-class CVM powered by advanced analytics capabilities.	e& international's organic growth plans are supported by a strong international expansion strategy. We continue to proactively scan the market for inorganic opportunities and seek to acquire control of well-positioned operators that will support our growth plans.	In addition to our planned expansion within the telecommunication sector, our strategy at e& international is heavily focused on driving growth of the wider digital ecosystem and becoming an integral part of every aspect of our customers' digital lives.	e& international will continue to generate and grow synergies by extending support to our operating companies across the footprint. Synergies are delivered through a combination of sharing knowledge, best practices and capabilities between our markets, and leveraging e&'s Group procurement and wholesale functions to drive sizeable scale-based synergies and cost savings.

We continue to explore opportunities to engage and collaborate with the leading global digital partners to provide best-in-class solutions and services across our footprint.

During the year, we entered into various arrangements including a collaboration with MoneyGram (a leading cross-border peer-to-peer payments and money transfer company) to provide a seamless digital financial experience and enable e& Group's large and fast-growing customer base to send and receive money through mobile wallets across its footprint in near real time.

In addition, we entered into a partnership with AIG (a leading multinational finance and insurance corporation with operations in more than 80 countries) to build a digital insurance offering, allowing our customers to access innovative insurance solutions through mobile apps and wallets.

Furthermore, we also built a strategic partnership with Visa and Mastercard to accelerate the implementation of our digital ambition, and to enable platforms addressing the digital finance propositions of our OpCos.

2022 was an exceptional year in terms of the macroeconomic challenges faced by operators in our international markets. Double-digit inflation, rapidly depreciating currencies, and rising interest rates have all been at the forefront of stakeholders' discussions since the beginning of the year, in addition to stricter regulatory environments and higher taxes.

Our results, particularly in terms of organic growth in local currency, are a testament to the agility and resilience of our operating companies. Whatever lies ahead, we are confident in our continued ability to help steer and support them to adapt to both macroeconomic fluctuations and evolving customer needs, and to thrive in their respective markets.

e& international

Expand internationally to achieve scale synergies, reduce home market dependency and diversify footprint risk

e& international
(continued)

etisalat by e& Egypt

Amidst the major economic turmoil witnessed by the country in 2022, our operating company in Egypt has been able to successfully conduct a major rebranding exercise to become etisalat by e& Egypt, marking the first step in an exciting new journey to transform into the country's leading technology company. Having delivered impressive top-line growth this year, the Company has now set its sights on continuing to grow its share of the telecommunication market, while also implementing a major digital expansion, with a strong focus on entertainment and financial inclusion.

The Company cemented its commitment to the new brand by signing a strategic partnership with Al-Ahly Football Club earlier this year.

In 2022, etisalat by e& Egypt was able to generate double-digit year-on-year revenue growth (19%) in local currency, with even higher year-on-year EBITDA growth (21%). It remained the fastest growing operator in the market and was able to consistently acquire value share from its competitors.

etisalat by e& Egypt has continued to pursue its digital agenda at an aggressive pace and showcased exponential growth in the number of monthly active users of mobile wallets (> +200%), with equally significant growth in transaction volumes and revenues. In terms of customer experience, etisalat by e& remained the #1 operator in NPS within the four-player Egyptian market through its customer-centric approach and superior experience.

Pakistan Telecommunication Company Limited Group (PTCL Group)

In the face of an adverse macroeconomic situation, our subsidiary in Pakistan was not only able to successfully monetise its network investments in both fixed and mobile, and improve its market positioning, but also achieved the fastest revenue growth rate in 9 years.

In the fixed business, PTCL, investments have been directed toward the expansion of optical fibre using Fibre-to-the-Home (FTTH) technology. PTCL's FTTH footprint reached 500,000 households through the addition of 275,000 additional home-passes in 2022. Coupled with attractive value propositions, this enabled the Company to gain considerable market share within the fixed broadband segment.

PTCL's strategy is to deliver superior customer experience and the most reliable high-speed broadband services, while also ensuring the network is ready for future requirements, such as Fibre-to-the-Site as part of the Group's future 5G roll out. Growth within the enterprise segment also contributed significantly to cementing PTCL's position as the undisputed leader in fixed services for the enterprise and government sectors.

For PTCL Group's mobile business, Ufone, the expansion of 4G coverage and improvements in mobile data experience were areas of key strategic focus in 2022. This was supported with competitive value propositions, enabling Ufone to substantially grow its data subscribers and revenues. Ufone remained one of the fastest growing mobile operators in Pakistan, as well as a leader in customer experience.

Capitalising on its network expansion, Ufone positioned itself as a superior quality telecommunication brand and was lauded for its network strength, securing several prestigious industry awards, including the award for Pakistan's Number 1 Data and Voice Network from the Pakistan Telecommunications Authority (PTA).

Etihad Etisalat Company (Mobily)

After two challenging years, during which COVID-19 restrictions significantly hampered religious tourism and many other business activities in the Kingdom of Saudi Arabia, 2022 saw the beginning of the return to normal activities. With travel restrictions being lifted and religious tourism such as Hajj and Umrah opening up again, these changes provided a welcome boost to the country's economy.

In 2022, Mobily continued to execute its vision of being a digital leader in Saudi Arabia. Key strategic initiatives included building a differentiated portfolio of innovative products and services, launching new revenue streams across key digital and ICT, implementing an agile, partnership-ready operating model, and optimising costs.

Over the course of the year, Mobily launched several innovative offerings, including financial services platform MobilyPay which was established with key international partners Visa and MoneyGram. Mobily also initiated several collaborations with other international players, such as a partnership with Cisco to build the region's largest IoT cloud platform, a partnership with Equinix to enhance the quality and speed of the internet, and an MoU with Telecom Egypt to build the first submarine cable system directly connecting the Kingdom to Egypt.

During the year, Mobily became the first telecommunication company to win the 'Best Customer Experience Award'. It also won two Ookla Speedtest Awards at the "Mobile World Congress 2022 KSA". From a financial perspective, Mobily continued to show strong growth in both revenue and profitability. As a result, the market recognised Mobily as the fastest-growing Saudi telecommunication brand, and the MSCI ESG Index upgraded Mobily's rating to BBB, which is the highest rating among Saudi telecommunication operators.

Maroc Telecom Group

2022 was a challenging year for Morocco as the economy witnessed a slowdown fuelled by drought conditions cited as the most severe the country has seen in the last three decades. This was compounded by the impacts of the war in Ukraine and global commodity shocks. CPI inflation rose to more than 8% year-on-year, the highest since 2008, interest rates rose for the first time in the last 14 years and the currency continued to devalue.

In the midst of these challenging conditions, Maroc Telecom Group showcased strong financial performance in 2022, fuelled by continued investment to extend and strengthen the network and offer the latest technologies. Innovative value propositions were introduced to offset challenging regulatory measures, while the Company also continuously strides towards digital transformation, implementing new projects and initiatives to better meet changing customer needs and improve the quality of customer experience.

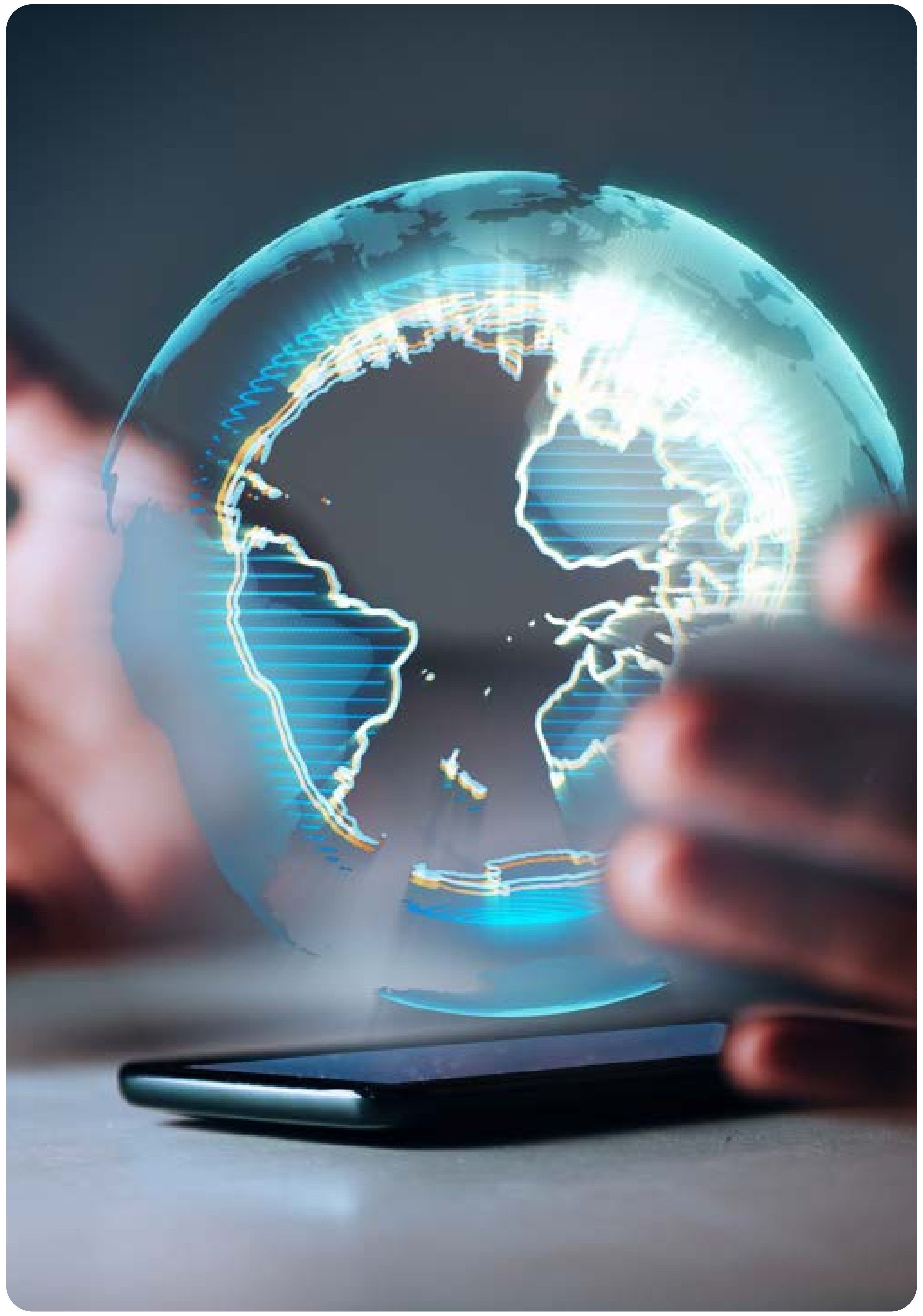
In Morocco, investments have been directed towards the development of optical fibre using FTTH technology and improvement of mobile data speeds. Moov Africa subsidiaries also showcased strong performance through continued subscriber acquisition despite tough macroeconomic and competitive challenges in some markets.

Moving forward, Maroc Telecom Group is committed to executing a robust strategy to address the regulatory and competitive challenges in its footprint through attractive value propositions, repositioning of the portfolio to reignite growth, reinvestment in selected markets to exploit growth opportunities and focusing on digital adjacencies to capture long-term customer-centric growth.

Etisalat Afghanistan

Afghanistan remains a challenging market on the social and political front, combined with volatile economic conditions and fluctuating currency movements.

However, Etisalat Afghanistan has nonetheless succeeded in performing exceptionally well in the market, with strong subscriber acquisition, top-line growth and profitability improvements, while also maintaining strong customer experience. Its strategy in the coming years is to continue to expand its network and infrastructure, while capitalising on the growing demand for data in the country.



e& life

e& life reinforced its position as the leading platform for entertainment and digital financial services in the UAE, investing and innovating to diversify and grow its offerings in order to bring enhanced services and convenience to millions of customers each day.

About e& life

e& life is the business pillar of e& that brings the next-generation digital world to the consumer's fingertips, utilising the latest technologies, smart platforms and apps in fintech, entertainment, retail and mobility services. As a leading consumer ecosystem player, it boasts of superlative next-gen technology and service offerings that drive a seamless and 'larger-than-life' customer experience.

e& life

Create a leading consumer ecosystem player, starting with fintech and entertainment

e& life aims to target specific consumer segments and advance new business growth opportunities, amplifying innovative consumer digital offerings across the board. One of e& life's companies, Evision, is the largest and most trusted content aggregator in the MENAP region and the media and entertainment division of e&. e& life is also a strong fintech player in the region, focused on breaking down barriers customer's face when accessing mobile financial services, including through its fintech arm, e& money, a financial super app offering safe, convenient and quick payment solutions.

evision

Evision, the exclusive media and entertainment division of e& life, reinforced its position as the largest and most trusted content aggregator in the MENAP region this year, through the landmark acquisition of STARZPLAY and the launch of a wide range of other services and content designed to deliver growth for the business and engage and delight consumers across its footprint.

In full alignment with the e& Group strategy, Evision aims to become a leading regional champion for all media and entertainment, including video, audio and gaming, directly supporting the strategic objective of e& life to be the leading consumer ecosystem player in the region.

In order to strengthen e&'s digital ecosystem, Evision delivers a one-stop shop solution for the best content and entertainment. Its ever-growing digital services portfolio features a broad content and entertainment mix, including news, entertainment, audio, edutainment and gaming, with flagship entertainment services such as eLife TV, Switch TV, Misr TV, Mobily TV and PTCL.

Through the quality and diversity of its content, Evision is all about bringing the best in entertainment to the region. It provides more than 600 linear channels in HD and 4K, and around 20,000 hours of on-demand content, catering to the huge appetite for content for a large and diverse population.

Evision is building portfolios of digital services that not only drive new revenue but also reinforce and premiumise the core business and decreases customer anxiety. Through greater bundling and integration, it provides a full turnkey solution for both content and technology, whilst ensuring a seamless customer journey.

Evision has met and exceeded its key financial metrics for the year.

STARZPLAY acquisition

Through an Evision-led consortium with ADQ, Evision completed the acquisition of a 57% majority stake in STARZPLAY Arabia, the leading SVOD and streaming service provider in the MENA region. The consortium joined existing shareholders STARZ/Lionsgate, State Street Global Advisors and SEQ Capital Partner.

This acquisition is a major milestone for Evision, strengthening its service offering and significantly enhancing STARZPLAY's positioning across the region. It will accelerate Evision's transition from the telecommunication network business to providing Direct to Consumer (DTC) streaming services across the MENA region.

Expanding Evision's services and footprint

Evision launched a variety of new business initiatives in 2022, demonstrating transformation, innovation and agility, while contributing to diversification and growth.

As a result of the STARZPLAY transaction, Evision has significantly expanded its geographical reach, which now includes business operations across all MENA countries.

In Pakistan, PTCL and Ufone signed an agreement during GITEX with Evision, to launch its own video streaming platform. The new Digital Video Over-The-Top (OTT) platform will host the richest collection of Hollywood and Pakistani entertainment content, as well as an assortment of national and international news and sports channels, thereby catering to the diverse news and entertainment needs of everyone in the family.

Also, during this year, Evision's kids channel, ejunior, which is the UAE's No. 1 kids channel, expanded into Morocco through an agreement with Maroc Telecom Group. Viewers in Morocco can now access 1,000+ hours of ejunior branded on-demand animated and live-action kids content covering different genres, such as educational, adventure, anime and comedy.

Following these agreements, Evision has put in place strategic partnerships with all five e& operating companies (the UAE, Egypt, Saudi Arabia, Morocco and Pakistan).

evision continued to enhance content across its platforms and geographic footprint this year. It unveiled a brand-new movie channel, emasala Simply South, positioned as the new home of South Indian movies. Fully owned and operated by Evision, emasala Simply South premiered across the UAE in September as the first ever trilingual movie channel. Through Evision's partnership with Simply South, the largest online streaming platform with exclusively South Indian content, the channel showcases the best and latest movies in three languages – Tamil, Malayalam and Telugu – as soon as four weeks from theatrical release.

In partnership with STARZPLAY, Evision also launched four new in-house premium entertainment channels:

Evision also significantly strengthened its content mix by strengthening its sports content portfolio this year. It acquired the exclusive rights of the Asian Cup and ICC T20 Cricket to broadcast "live and exclusive" for the entire MENA region, making CricLife the home of Cricket for the entire region.

It also acquired the exclusive rights to broadcast Serie A on STARZPLAY for the next three years across all MENA nations. The Italian Serie A is widely recognized as one of the top football leagues in the world and is placed third among European leagues as the best national league in the world.

Evision in 2023

Looking toward the future, Evision will build on the outstanding progress of 2022 to implement its strategic roadmap. It aims to expand across several verticals across the media and entertainment business, whilst focusing on building fast growing and high potential adjacencies that attract and engage consumers while creating value for the business and the entire e& group.

e& life
(continued)

e& money

e& life's fintech vertical, e& money, aims to revolutionise the customer experience through its innovative financial super app marketplace, which has achieved exceptional progress and advances in the development and provision of digital financial solutions for all customer segments during 2022.

e& money is a financial super app that addresses a variety of financial needs of customers, giving them access to financial services such as merchant payments, money remittances, bill payments, and gifting options. It is designed to serve banked, unbanked and under-banked customers in the UAE by opening more doors to digital financial systems and services.

Financial inclusion has been a critical driving force in the way e& life seeks to bring down barriers that customers face when accessing financial services. UAE citizens, residents and UAE-based businesses benefit from e& money through an enhanced customer experience that enables them to conduct their financial transactions in a seamless, convenient and secure way, spurring a cashless economy.

e& money achieved its all-time high download and registration numbers in 2022 compared to previous years. It achieved three times download and registration, five times monthly active users and three times revenue growth. Moreover, e& money was awarded The Best Wallet Award by MENA Fintech Association in 2022.

A new identity for greater impact

In July 2022, eWallet, the first digital payment service regulated and licensed by the Central Bank of the UAE, was rebranded as e& money. The fintech's value proposition had also been reshaped, in line with its ambitious goals to become the leading fintech player in the region.

The new digital and future-focused brand wholly identifies with e&, incorporating the colour scheme, name and elements from the Group.

Along with the rebranding, e& money also revamped the application with an improved customer experience-centred approach. The new design has a clean and user-friendly approach and also helped e& money to achieve 4.7 (iOS) and 4.4 (Google Play Store) app store rating in December. Through these initiatives, along with improved onboarding and revamped customer journeys, e& money also increased its user base and surpassed 859,784 downloads and 438,108 registrations for the year, almost doubling the rates for 2021 in both metrics.

These achievements were recognised when e& money received the 'Best Wallet Award' from Abu Dhabi Finance Week at the MENA Fintech Awards – 2022.

Enhanced experiences and enriched offerings

During 2022, e& money enriched its product portfolio with a range of new offerings to facilitate consumers' daily lives. The change in onboarding flow in 2022 is a part of innovation of e& money business.

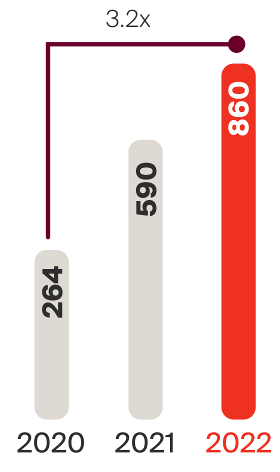
The changes made to the registration process helped to achieve the fastest onboarding journey in the UAE. With a 100% digital experience, customers can register for the e& money application in just a few minutes. Rapid Know Your Customer (KYC) data gathering and clearance infrastructure has been put in place, allowing customers to complete all KYC needs without the need to visit a physical store.

In addition to all existing cash in channels, e& money further diversified this year by including a new option to add money using a debit card. This channel is being widely accepted and is growing at a phenomenal rate month-on-month, with over 20,000 cash in transactions since it was launched in April totalling over AED 18 million.

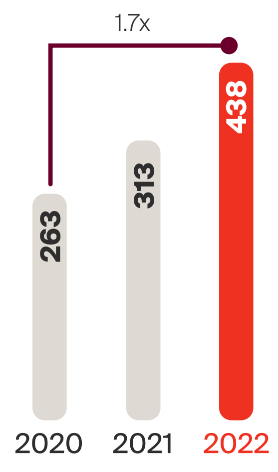
New features are consistently being added to bring more service and convenience to its users. This year, some of the additions included direct pay, gift voucher purchase, adding to new biller institutions (ex. DEWA, ADDC, AADC), requesting money feature and more. In line with open banking, customers are able to add more funds to their existing e& money accounts.

e& money's remittance business has gone from strength to strength, offering the most competitive rates in international money transfer. Strengthened through key strategic partnerships, the platform enables e& money customers in the UAE to send money across 200+ countries.

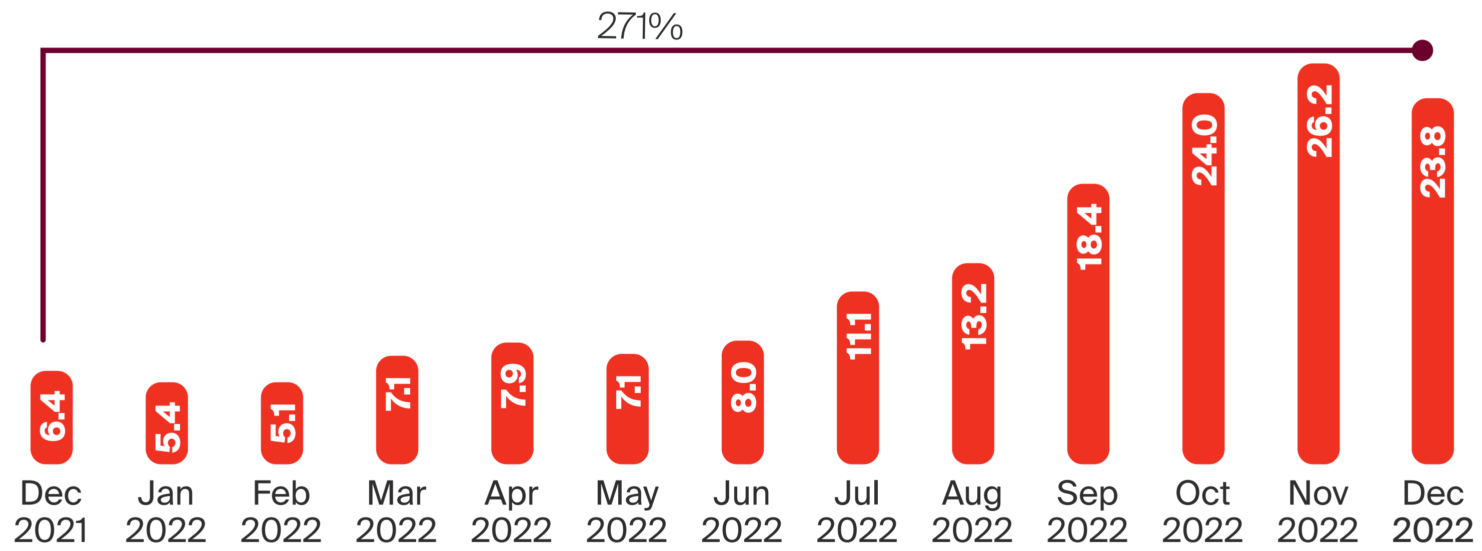
Through a customer orientated approach and cost-effective methodology, e& money grew to over 23,885 international money transfers per month by year-end 2022, representing an annual growth rate of over 270%.



Downloads (thousands)



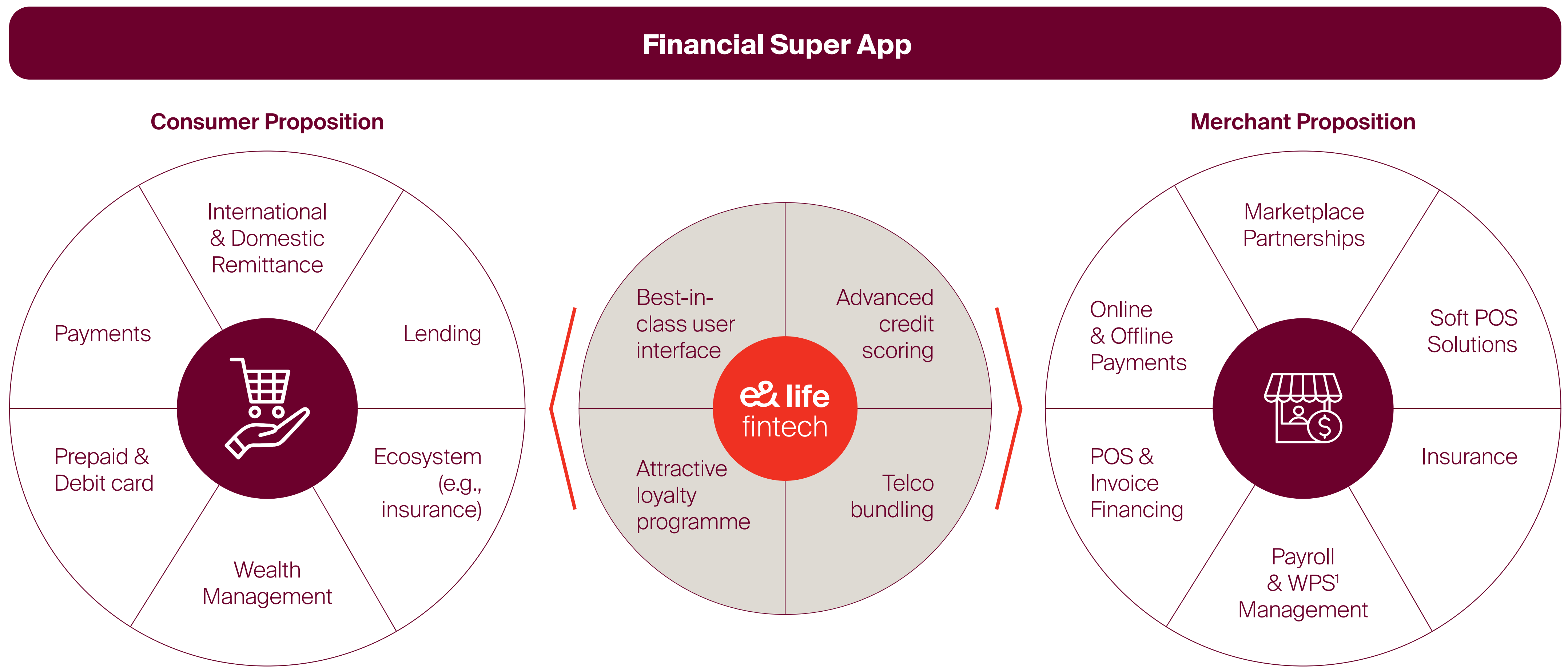
Registrations (thousands)



International Money Transfer Transactions (thousands)

Further growth and disruption in 2023

As we look towards the future, e& money aims to increase customer engagement through a range of exciting new features, such as a companion card, lending and investments in 2023. Following the industry shift, e& money will leverage e&'s strength and launch many more products and services to cater to diverse segments of customers, supporting its vision to become the UAE's leading digital wallet with the most advanced financial super app in the market for consumers and merchants.



1. WPS = Wages Protection System

e& enterprise

e&'s business-focused vertical drove digital transformation, technological disruption and enhanced security for thousands of businesses across the UAE. Throughout its expanding regional footprint, it has delivered growth, formed partnerships and created value for the Group and all its stakeholders.

About e& enterprise

The enterprise-focused arm of e&, e& enterprise, is based on a successful model combining the strength and reach of a telco with the agility and expertise of a digital player. Its vision is to enable organisations across multiple sectors to maximise their digital potential by designing, delivering, and operating impactful, intelligent, and secure end-to-end digital solutions using resilient platforms.

Through its innovative digital vertical value propositions, it enables more sustainable developments, safer cities, better government services, connected healthcare, enriched education, the future of banking, highly automated industries, manufacturing and logistics.

e& enterprise comprises three growth engines:

- e& enterprise cloud: enables organisations of all sizes to realise the benefits of cloud by providing digital enablement infrastructure and customer experience solutions. It takes a customer-centric and cloud-agnostic approach to deploy and operate digital enablement solutions with the right cloud services
- Help AG powered by e& enterprise: provides leading enterprises and governments across the region with strategic consultancy combined with tailored information security solutions and services that address diverse requirements, enabling them to evolve securely with a competitive edge
- e& enterprise iot&ai: brings together the combination of Internet of Things and Artificial Intelligence technologies to transform companies into data-driven organisations

Strategic ambitions as a market leader and innovator

In line with e&'s overall digital transformation from a telco to a techco, e& enterprise's mission is to provide advanced digital solutions to continuously transform and enhance the way companies do business.

Its strategy is to drive large-scale digital transformation enabling enterprises and governments to become smarter, safer and more connected, reinforcing e&'s vision to grow B2B/digital across e&'s footprint.

e& enterprise's strategy is based on four strategic pillars:

Lead in the UAE	Execute and operate regionally through M&A and strategic partnerships	Accelerate the use of emerging technologies to fuel innovation in the community	Drive a people-centric culture while nurturing talent
e& enterprise enables the UAE's ICT and digital agenda, in which it aims to be a key driver of the country's digital future, by being the UAE's digital arm to deploy its mega projects and drive the nationwide digitalisation agenda.	e& enterprise has built its growth acceleration strategy towards market recognition and geographical expansion through a targeted M&A and strategic partnerships approach of focused companies in the digital space.	e& enterprise will continue to grow innovation and accelerate digital adoption in the community with fruitful collaborations and partnerships, allowing it to extend its digital solutions portfolio while establishing long-term partnerships with major accelerators, scale-ups and technology providers regionally and globally.	e& enterprise believes that its people are a key asset and therefore strives to nurture and empower its workforce while attracting and retaining the best talent in the market, with a skilled workforce consisting of industry experts branching across multiple technologies and domains.

Positioned for accelerating impact

Since its launch, e& enterprise has driven the digital transformations of government entities and large organisations, building a strong track record of designing, building and operating mega projects. With the right capabilities to provide innovative digital vertical value propositions in the UAE, it recently expanded its operations across the region, with offices in Saudi Arabia and in Egypt.

Following e& enterprise's carve-out and rebranding earlier this year, the Company has undergone a considerable transformation and is headed towards further change and innovation. Its workforce has grown to more than 1,500 digital experts and it continues to secure major mandates and key references across its markets.

The business continued to grow this year, reaching over AED 1.1 billion worth of contracts signed and AED 2 billion in revenue during 2022.

It plans to continue to expand in the years ahead, with an ambition to grow its international revenue to 40% of the business by 2030 through a focus on regional markets within e&'s footprint and selective market entry moves beyond.

e& enterprise

Accelerate growth in cloud, cyber and IoT and expand internationally through new, fast-growth business models

e& enterprise
(continued)

Strong capabilities and expanded solutions

e& enterprise cloud
With nine data centres and over 750 customers across the UAE, the cloud segment continued to deliver strong growth and value for the business in 2022.

This year, Engage X, a growing Communication Platform as a Service (CPaaS) ecosystem, was launched to customise any end-user customer experience journey with seamless, multi-channel communications.

In addition, a strategic partnership was established between Khazna Data Centre and G42. It positions Khazna as a regional data centre powerhouse, delivering superior services to both domestic and global customers and partners, and supporting the advancement of the local digital ecosystem.

A joint venture was also established with Bespin Global, a Korea-based cloud management company, to cement e& enterprise's leadership in the UAE market and explore opportunities in the Middle East, Turkey, Africa and Pakistan (METAP) market to expand its geographic footprint. The joint venture will focus on the public cloud business and plans to create a new standard with proven scalability, resiliency and best-in-class capabilities for public cloud services in the region.

Key offerings
Multi-cloud and hybrid cloud solutions, including Microsoft Azure, AWS and Oracle Cloud, in addition to Etisalat OneCloud, a fully managed private cloud solution hosted in high availability and secure data centres in Abu Dhabi and Dubai

Help AG powered by e& enterprise
With over 500 customers across the region and two Cyber System and Organisation Controls (SOC) in Dubai and Riyadh, the Help AG segment continued to expand and innovate during the year to protect customers across the region.

In fact, Help AG just launched its state-of-the-art Cybersecurity Operations Centre (CSOC) in Saudi Arabia this year to provide 24/7 security monitoring and events management, along with a complete suite of locally delivered Managed Security Services (MSS), fully compliant with the local data regulations.

Help AG also launched this year its Next Gen Cloud SOC to modernise security operations with analytics-powered solutions that uncover unknown threats, provide powerful anomaly detection, and user and entity risk profiling. The SOC utilises cutting-edge security information and event management (SIEM) coupled with user and entity behaviour analytics (UEBA) to address critical use cases.

The business also introduced Managed Digital Risk Protection (DRP) as a service, which provides customers with best-in-class benefits, such as comprehensive risk detection that incorporates deep and dark web modality, as well as market-leading remediation that lowers digital risk for organisations. Help AG's newest service reflects its commitment to helping customers reduce the risks that emerge from digital transformation.

Another highlight of the year was Help AG being named Microsoft's 'Managed Security Services Provider (MSSP) Partner' in the GCC. Help AG now is enabled to provide services based on all Microsoft security products and is the preferred MSSP for enterprise segment for the Microsoft UAE team.

Key offerings
End-to-end cybersecurity portfolio with focus on managed cyber defence, 24/7 monitoring of 50+ largest enterprise infrastructures with ingestion, digestion and correlation of more than two trillion events per year

e& enterprise iot&ai
With over 5,000 customers and over a million smart connections, the Internet of Things and AI segment continued to accelerate towards the future through disruptive product launches and partnerships this year.

e& enterprise entered a strategic three-year partnership with US-based DataRobot, an AI platform provider, to launch an Enterprise AI as a Service (AIaaS) offering to support government and private companies. The end-to-end cloud offering is for building, training, deploying and managing AI and machine learning solutions, and scaling the AI life cycle at a fraction of the cost compared to in-house AI capabilities.

To boost capacity and further solidify e& enterprise's technological leadership, e& enterprise completed the 100% acquisition of Smartworld, a market leader in the implementation and operations of advanced technology solutions. The transaction will spur growth and support governments and enterprise clients' ambitions to become data-driven and highly automated organisations.

Finally, as part of its ongoing investment in bringing innovative solutions to enterprise customers, e& enterprise successfully deployed multiple proofs of concepts using autonomous drones. The various use cases deployed range from public safety and law enforcement to monitoring physical infrastructure.

Key offerings
Advanced IoT and AI solutions as a service with domain expertise in smart and sustainable cities, smart mobility, retail, digital payments, safe city, industry 4.0, oil and gas, utilities, manufacturing, logistics, airports, digital healthcare, smart government and defence

Driving innovation and customer experience
Customer Experience (CX) has been transformed in recent years through the pervasiveness of digital technology, creating a fundamental shift in the way customers and citizens interact with companies and governments. Digital-native customers and forward-thinking organisations now expect personalised, instantaneous and seamless connected experiences across digital channels.

As a result, organisations must enhance their capabilities and security, update their contact centre technologies to meet an entirely new set of customer expectations, while also enabling work-from-anywhere for their employees. e& enterprise partnered with NICE this year to offer its customers a Cloud Contact Centre Solution (CCaaS). This offering will help transform customers' contact centres into customer experience centres that deliver exceptional customer and employee experiences, as well as drive tangible business outcomes and increased business agility.

The business also continued to increase innovation and accelerate digital adoption in the community, including through fruitful collaborations and partnerships in its FutureNow Open Innovation Programme.

It launched ten challenges with more than 30 scale-ups selected and formed major partnerships with Dubai Future Accelerator, Fintech Hive, HUB 71 and Plug&Play. It also extended the FutureNowCalls though its collaboration with HUB71 to launch the first AI Centre of Excellence in Abu Dhabi. Through this collaboration a platform for AI solutions is built transforming the future of AI in the Emirate while supporting a thriving innovation ecosystem, fostering local talent, and boosting the country's socio-economic growth.

In addition, two Hackathons were launched in collaboration with the University of Manipal and the University of Wollongong, along with strategic partners Vonage and Twilio. The aim of these workshops was to support the community of coders and developers in the universities, while promoting and encouraging the use of e& enterprise capabilities through its Engage X platform.

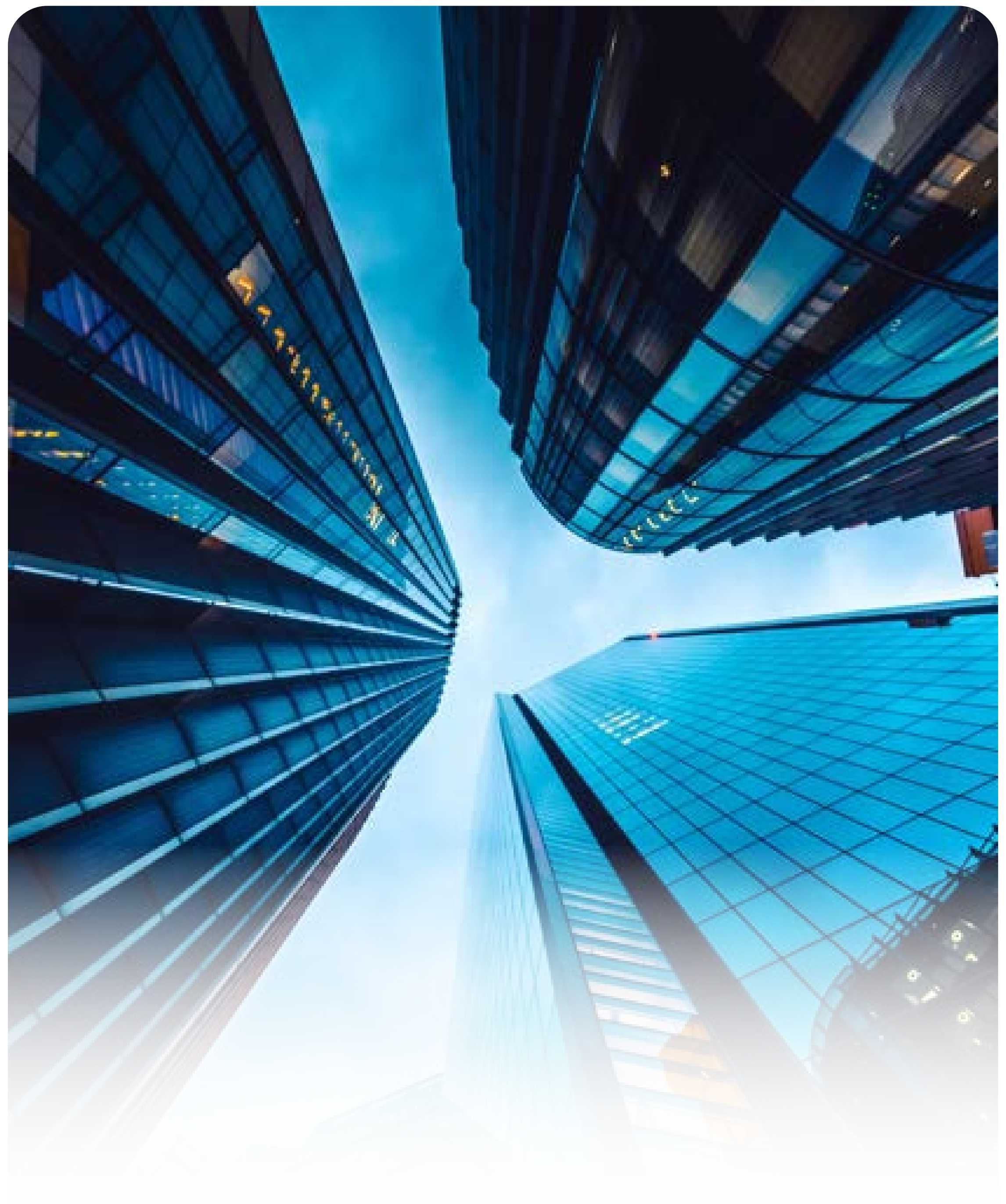
Continued growth and progress in 2023
In the year ahead, e& enterprise will continue to build capabilities, deliver exceptional service, and execute its strategy in order to consolidate its position as the largest digital player in the region.

To accelerate growth across the business, it will focus on the following priority areas:

- Secure further key mandates and references in the UAE
- Expand capabilities through inorganic and strategic partnerships to strengthen its offerings in managed services, business applications and system integration
- Become a truly regional player with operations in the UAE, Saudi Arabia, Egypt and regional operations centres for cloud and cybersecurity, while developing autonomous commercial and consulting capabilities in digital transformation
- Develop a regional platform business to foster the exchange and co-creation of value in the region

e& capital

e&'s newly launched investment unit, e& capital, laid the groundwork for future impact in 2022, building the strategies, capabilities and capacity to accelerate impact and create value by engaging and funding start-ups and providing them with strategic support and access to investor and expert networks.



About e& capital

e& capital, the investment pillar of e&, invests in the ideas and people that will build a better and brighter digital future. It supports visionary tech businesses by investing in their success, helping them grow and enabling meaningful progress that moves this world forward.

Strategic investment focus for future impact

e& capital will play a central role in transforming e& into a global technology and investment group. We will act as a bridge between the telco side of the business and the specialist business pillars to enable growth and offer opportunities for testing out new technologies and staying open to emerging global trends. Our investments will enable us to bring a new way of life to our clients and the whole ecosystem.

We will maximise impact and value creation through two types of investments:

- Venture Capital (VC) investments for early-stage start-ups
- Growth investments focused on empowering proven start-ups to become leaders in their respective spaces

We will focus on start-ups within the e& footprint, as this is where we believe we initially can add the most value. However, we will keep a close eye on high-potential start-ups with a global business model and those targeting future expansion into e&'s markets.

Laying the foundation for success

In the first few months of operations, we focused on building the right team and creating robust internal processes and governance to achieve our objectives. We established our strategy and focused vision, aligned with the corporate strategy and vision of e&, and then began developing our investment deal flow.

We also launched initial brand-building and outreach activities for e& capital to establish our reputation in the market, support the development of critical partnerships, and share our first success stories and growth milestones with our audiences.

In parallel, we successfully closed our first round of investments from our inaugural AED 250 million VC fund, which were announced during GITEX Global 2022. These initial investments included:

- A strategic investment in the Series B funding round of Vuz, an immersive social app that offers users extended reality and metaverse digital experiences.
- Participating in a funding round of Lablabee, a tech start-up that aims to create a lab platform for the telco cloud, offering training that is more interactive and accessible.

Accelerating towards our vision in 2023

In the year ahead, we will build on our early successes and work towards our vision to act as a catalyst in shaping the future of the MENA region's digital economy by engaging with entrepreneurs that dare to disrupt and challenge the status quo.

We are excited to leverage our resources and capabilities to support disruption and spur progress in key industries, such as fintech, entertainment, worktech, healthtech, and edtech. We will look to engage, invest in, and support innovative start-ups that typically leverage underlying technology enhancements driven by emerging trends in Artificial Intelligence (AI), Machine Learning (ML), Smart connectivity, Cloud, Web 3.0 and more.

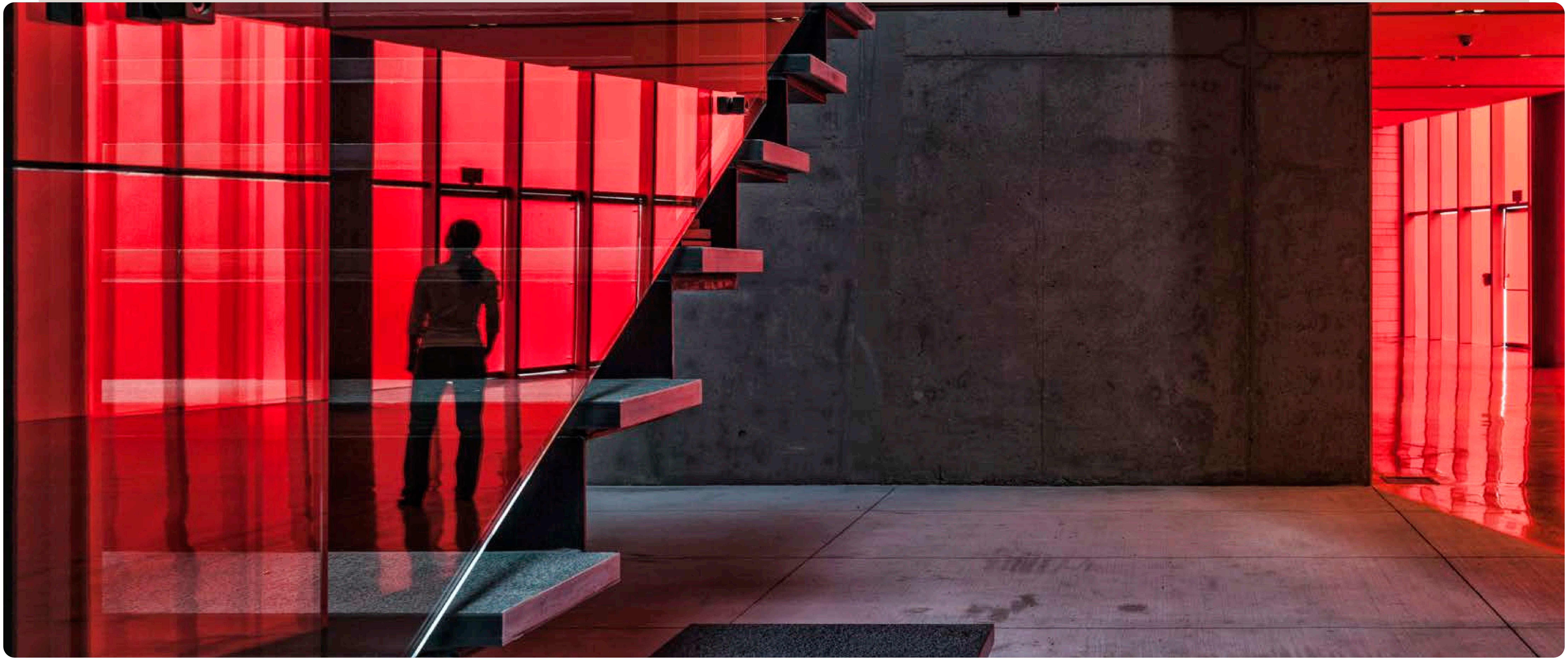
AED 250 million VC fund announced during GITEX Global 2022

e& capital

Acquire, grow and support the visionary tech businesses that are moving this world forward

04

Corporate Governance



Board of Directors

H.E. Jassem Mohamed Bu Ataba Alzaabi
Chairman
Chairman of Investment and Finance Committee

Essa Abdulfattah Kazim Al Mulla
Vice Chairman
Member of Risk Committee
Member of Nominations and Remunerations Committee

Sheikh Ahmed Mohamed Sultan Al Dhahiri
Board Member
Member of Audit Committee

Mariam Saeed Ahmed Ghobash
Board Member
Chairperson of Audit Committee
Member of Investment and Finance Committee

Michel Combes
Board Member
Chairman of Nominations and Remunerations Committee
Member of Investment and Finance Committee

Hesham Abdulla Qassim Al Qassim
Board Member
Chairman of Risk Committee
Member of Investment and Finance Committee

Mansoor Ibrahim Ahmed Al Mansoori
Board Member
Member of Audit Committee
Member of Nominations and Remunerations Committee

Saleh Abdulla Ahmed Alabdooli
Board Member
Member of Risk Committee

Abdelmonem Bin Eisa Bin Nasser Alserkal
Board Member
Member of Investment and Finance Committee

Khalid Abdulwahid Hassan Alrustamani
Board Member
Member of Risk Committee

Otaiba Khalaf Ahmed Al Otaiba
Board Member
Member of Nominations and Remunerations Committee

Hasan Mohamed Al Hosani
Corporate Secretary and Board Rapporteur

Senior Management

Hatem Dowidar
Group Chief Executive Officer, e&

Mr. Hatem Dowidar was appointed CEO of e& in December 2020. He joined the Group in September 2015 as Chief Operating Officer and was appointed as Chief Executive Officer of e& international in 2016. Prior to this, Mr. Dowidar was Chairman of Vodafone Egypt and Group Chief of Staff for Vodafone Group. He initially joined Vodafone Egypt in its early start-up operation in 1999 as Chief Marketing Officer. After successfully undertaking two group assignments and the role of CEO Vodafone Malta, he became the CEO of Vodafone Egypt from 2009 to 2014. Mr. Dowidar started his career at AEG/Deutsche Aerospace (Daimler Benz Group) in Egypt, before moving to Marketing in Procter & Gamble, where he held various managerial roles. Mr. Dowidar serves on the Boards of Maroc Telecom, Mobily, PTCL, Etisalat Egypt, e& enterprise and e& capital. He also serves on the Boards of Abu Dhabi Chamber of Commerce and Industry, Khalifa University and GSMA. He holds a Bachelor's degree in Communications and Electronics Engineering from Cairo University and an MBA from the American University in Cairo.

Karim Bennis
Group Chief Financial Officer, e&

Dr. Karim Bennis was appointed as Chief Financial Officer of e& in July 2020. Prior to this role, he was Vice President Financial Control and Planning of the Group from 2013. His previous positions include Deputy Managing Director and CFO at Tractafric Motors Corporation in Paris, Financial Controller, Strategic Planning, Subsidiaries Management and Investor Relations of Maroc Telecom - as a Secondee of Vivendi Group - as well as Financial Controller of Crown Holdings Europe (formerly CarnaudMetalbox). Dr. Bennis is a Board member and Audit Committee member of Maroc Telecom Group, and an Audit and Risk Committee member of Mobily, Etisalat Egypt and Atlantique Telecom Holding. He also serves as Chairman of the Audit Committee, Board member and Investment and Finance Committee member of PTCL and Ufone. He holds a PhD in Economics and Technology from Conservatoire National des Arts et Métiers Paris, a Master's degree in Applied Economics and Corporate Finance from Sciences-Po Paris, a Master's degree in Audit and Management Accounting from SKEMA Business School and an Executive MBA from École Nationale des Ponts et Chaussées Paris. He has also completed the Executive CFO programme at Columbia Business School in New York.

Obaid Bokisha
Group Chief Operations Officer, e&

Mr. Obaid Bokisha was appointed as Chief Operations Officer in October 2021. Prior to this role, he served as Chief Transformation Officer (October 2020), Chief Business Continuity and Corporate Quality Officer (October 2017) and before that he served as Chief Procurement Officer of the Group (June 2012). Since joining the Company in 1998, he has been assigned various responsibilities contributing to the network planning, optimisation, design, and implementation of mobile systems covering GSM and UMTS. Other positions held include Vice President Mobile Networks Planning and International Support of Etisalat UAE and Senior Vice President Mobile Networks Optimisation of the Group. Mr. Bokisha is the Managing Director of Etisalat Services Holding and Chairman of eMarine. He serves on the Boards of etisalat by e& Egypt and eVision. He previously served as a board and committee member of Etisalat Nigeria, CanarTel and Zantel. He has a first-class Honor's degree in Communications Engineering from the Etisalat College of Engineering.

Dena Al Mansoori
Group Chief Human Resources Officer, e&

Ms. Dena Al Mansoori was appointed as Chief Human Resources Officer of e& in November 2020. Prior to this role, she was the Chief Human Resources Officer of the Central Bank of the UAE. Ms. Al Mansoori has over 17 years of experience with international companies in various industries such as retail, oil and gas, banking, and finance. In 2020, she established WhiteBox HR, a tech company that uses Machine Learning, People Science, and Organisation Network Analysis. Ms. Al Mansoori currently serves on the Board of e& enterprise. She previously served as a Board member of Etisalat Services Holding. She holds an MBA from the University of Strathclyde in Scotland and a Bachelor of Science in Management Information Systems and Finance from Boston University in the USA.

Brooke Lindsay
Group Chief Legal and Compliance Officer, e&

Ms. Brooke Lindsay was appointed as Chief Legal and Compliance Officer of e& in May 2022. Prior to this role, Ms. Lindsay served as e&'s Acting General Counsel since December 2021 and prior to that the General Counsel for e& international. Before joining e& in 2010, she worked for highly regarded independent and international law firms. Ms. Brooke is currently a Board Member at Khazna Data Centers and at iMENA Group. She previously served as a Director of Thuraya Telecommunications Company and a Board and Committee member of Etisalat Nigeria. Ms. Lindsay holds a Bachelor's degree of Law and Accounting from Bond University in Australia.

Senior Management (continued)

Mohamed Dukandar
Group Chief Internal Control and Audit Officer, e&

Mr. Mohamed Dukandar was appointed as Chief Internal Control and Audit Officer of e& in September 2016. Mr. Dukandar is a Chartered Accountant (SA), Certified Internal Auditor (CIA) and Certified Control Self Assessor (CCSA) with over 20 years of experience in governance, risk management, insurance, internal/ external audit and forensics. Prior to e&, he was the Group Executive, Telkom Audit Services of Telkom South Africa SOC Limited from 2009. Mr. Dukandar started his career as an auditor with KPMG in 1996 and subsequently worked with National Treasury, South Africa, and the City of Johannesburg. Mr. Dukandar serves as a member on the Audit Committee of PTCL Group and served as a member on the Audit Committee of Etisalat Services Holding. He has a Bachelor of Commerce from the University of Witwatersrand, South Africa and Honors in Accounting from the University of South Africa.

Masood M. Sharif Mahmoud
Chief Executive Officer, etisalat by e& UAE

Mr. Masood was appointed as Chief Executive Officer of etisalat by e& in August 2021. Mr. Masood was previously the CEO of Yahsat from 2012, where he was instrumental in optimising business operations and expanding to new geographies and sectors. Prior to that, he was a Vice President at Mubadala overseeing the Technology and Communications investment portfolio. He also held positions at Dubai Investment Group and The Executive Office of the Government of Dubai. Mr. Masood currently serves on the Board of Wio Bank, Yahsat, UAE Space Agency and Etihad Aviation Group. He previously served on the Board of Emirates Integrated Telecommunications Company (du) from 2013 to 2020. He holds an MBA in Finance from McGill University and a Bachelor's degree in Engineering from Boston University.

Mikhail Gerchuk
Chief Executive Officer, e& international

Mr. Mikhail Gerchuk was appointed as Chief Executive Officer of e& international in March 2022. Previously, Mr. Gerchuk served as the Head of Eurasia at Veon as well as its Group Chief Commercial and Strategy Officer. Prior to this, he was the Chief Commercial Officer at MTS Group. He also held other roles at Vodafone, including the Global Head of Voice Propositions and the Chief Commercial Officer at one of its subsidiaries, and was a Senior Partner at McKinsey & Company in London. Mr. Gerchuk serves on the Board of PTCL Group, Hutch Sri Lanka, and etisalat by e& Egypt. He has also served as Chairman and Board Member at several corporate boards within and outside of the telecommunications industry in Europe, Asia and Africa. He holds an MBA from INSEAD.

Salvador Anglada
Chief Executive Officer, e& enterprise

Mr. Salvador Anglada was appointed as Chief Executive Officer of e& enterprise in November 2021. Prior to this role, he was the Chief Business Officer of Etisalat UAE from 2013. Mr. Anglada has over 25 years of experience in the Telco and IT Industry. He spent 12 years at Telefonica where he was the Managing Director of Telefonica Empresas, the enterprise division of Telefonica Spain. He also served for more than five years as CEO of Telefonica O2, the Telefonica subsidiary in the Czech Republic. Mr. Anglada is the Managing Director of e& enterprise iot & ai, Help AG UAE and KSA, Etisalat Digital KSA, Etisalat Technology and is a Board member of e& enterprise and Khazna Data Centers. He was previously an Executive Board Director of Telefonica Europe and served on several other boards including ACENS Technologies and Conexxo. Mr. Anglada holds a Master's degree in Industrial Engineering from Polytechnic University of Madrid, an Executive MBA from IE Business School, and a Postgraduate Diploma from IESE.

Khalifa Al Shamsi
Chief Executive Officer, e& life

Mr. Khalifa Al Shamsi was appointed as Chief Executive Officer of e& life in February 2022. Prior to this role, Mr. Al Shamsi held the position of Chief Strategy and Corporate Governance Officer of the Group since 2016 and prior to that the Chief Digital Services Officer and Senior Vice President of Technology Strategy for the Group. Since joining the Company in 1993, Mr. Al Shamsi has held various key senior positions including Vice President and Senior Vice President of Marketing for Etisalat UAE. Mr. Al Shamsi serves on the Boards of Mobily, Wio Bank, StarzPlay, Digital Financial Services and is the Chairman of Evision. He previously served on the Board of PTCL and Etisalat Afghanistan. Mr. Al Shamsi has a Bachelor's degree in Electrical Engineering from the University of Kentucky, USA.

Senior Management (continued)

Abdeslam Ahizoune
Chairman of the Management Board, Maroc Telecom

Mr. Abdeslam Ahizoune has been Chairman of the Maroc Telecom Management Board since February 2001 and served as CEO from 1998 to 2001. Earlier, he was Minister of Telecommunications in four different governments. Mr. Ahizoune has been Chairman of the Moroccan Royal Athletics Federation since 2006, and also serves as a Board member of several foundations: Inter Alia, King Mohammed V for solidarity, King Mohammed VI for the environmental protection, and Princess Lalla Salma against cancer. He is also the Vice President of La Confédération Générale des Enterprises du Maroc (CGEM) and the President of its Moroccan-Emirati economic commission. He holds an Engineering degree from Télécom ParisTech.

Salman Al Badran
Chief Executive Officer, Etihad Etisalat (Mobily)

Eng. Salman Al Badran was appointed as the CEO of Mobily in April 2019. Prior to this appointment, he was the CEO of VIVA Kuwait from January 2011 after joining the company in 2008 and completing its commercial launch. Mr. Al Badran started his career with SABIC in 1996 and then made his foray into the Telecom sector in 2001 with Saudi Telecom Company. Mr. Al Badran holds a Bachelor's degree in Applied Electrical Engineering with a specialisation in the field of Communication and Energy from King Fahad University of Petroleum and Minerals in the Kingdom of Saudi Arabia.

Hazem Metwally
Chief Executive Officer, etisalat by e& Egypt

Mr. Hazem Metwally was appointed Chief Executive Officer of etisalat by e& Egypt in October 2015. He joined etisalat by e& Egypt in 2007 as Chief Commercial Officer managing sales, marketing, and customer care functions. In 2012, he was promoted to Chief Operating Officer expanding his responsibilities to include Carriers Relations and Wholesale Operations. Prior to joining Etisalat, he was the Head of Consumer Marketing at Vodafone Egypt where he played an important role in launching several innovating commercial initiatives. Before that, he was the Head of Distribution at Mobinil Egypt. He started his telecommunications career in 1999 in sales distribution and operations focusing on both consumer and corporate segments. Mr. Metwally holds a Bachelor's degree in Electronics and Communications Engineering from Cairo University.

Hatem Bamatraf
Chief Executive Officer, PTCL Group

Mr. Hatem Bamatraf was appointed CEO of PTCL Group in May 2021. Prior to this appointment, he was the Chief Technology Officer of e& international from 2013. Mr. Bamatraf started his career in the technology division responsible for the planning of Etisalat UAE's mobile network. He was seconded to Saudi Arabia as part of the team that established Mobily, the second licensed telecommunications provider in the Kingdom. He also worked at Integrated Telecommunications Company (du) between 2007 and 2013 where he headed the Enterprise business. Mr. Bamatraf served previously as a Board member of etisalat by e& Egypt and Etisalat Afghanistan. He holds a Bachelor's degree in Electrical and Electronic Engineering from Khalifa University.

Corporate Governance

The General Assembly

The General Assembly (GA) is composed of all the shareholders and exercises all the powers granted thereto under the Company's Incorporation Law (Company Law) and its Articles of Association (AoA), as amended.

The General Assembly of the Company is in charge of all the matters related to the Company as stipulated in the Company's Incorporation Law and in its Articles of Association. It is entrusted with approving the Annual Report on the Company's activities, the Company's financial position during the preceding financial year, appointing external auditors and setting their fees and approving their reports as well as discussing and approving the balance sheet and the profit and loss accounts for the previous year. The GA also has the power to approve the Board of Directors' recommendations with regard to dividend payouts and bonus shares, if any.

The General Assembly is vested with the authority to elect the Board members who are not appointed by the Government shareholder (Emirates Investment Authority "EIA") and to review and set Board members' remunerations. The GA is the authority that absolves Board members and external auditors of liability, discharges them, or files liability lawsuits against them, as the case may be.

Board of Directors

The Board of Directors exercises all powers required to the carry out the Company's business except those retained for the General Assembly by virtue of the Law and the Articles of Association of the Company.

e&'s Board of Directors currently consists of 11 members, seven of them, including the Chairman and Vice Chairman of the Board, were appointed by EIA.

The other four members of the Board of Directors were elected during the General Assembly meeting, which was held on 17 March 2021 by the shareholders that own 40% of the Company's shares, i.e., those shares not held by the Government shareholder.

e& is committed to applying best practices and corporate governance standards, taking into consideration the applicable best international standards and UAE laws. Therefore, the Company takes into account the requirements of the legislations related to Governance Rules and Corporate Discipline Standards with respect to the composition of the Board and its Committees and the number of Independent and Non-Executive members.

Committees of the Board of Directors

For the purpose of rendering assistance to the Board of Directors in discharging its responsibilities, the Board has established four Committees:

1. Audit Committee
2. Risk Committee
3. Nominations and Remunerations Committee
4. Investment and Finance Committee

Audit Committee

The Audit Committee undertakes its duties in accordance with its Charter, which complies with the requirements of the Governance Rules and Corporate Discipline Standards and the relevant legislations that are in force in the UAE. This Charter is considered a delegation from the Board to the Audit Committee to undertake the tasks mentioned therein, which include the following:

- Reviewing the financial and accounting policies and measures in the Company.
- Monitoring and reviewing the soundness and integrity of the Company's financial statements and reports (annual, semi-annual and quarterly) and its control system. It also reviews the changes in accounting policies and practices, procedures and control systems.
- Considering all the matters related to the external auditor's work, action plan as well as the notes, suggestions and reservations raised by the Company's external auditor in relation to the accounting books, financial statements or control systems. The Committee also ensures that the auditor receives timely responses from the management to his fundamental notes. The Committee also looks into any significant and uncustomary items included or should be included in the reports and financial statements and approves the additional duties that the external auditor carries out and the fees paid to them against such duties. The Committee pays attention to the matters raised by the Company's Chief Financial Officer, Compliance Officer or the external auditor.
- Developing and implementing a policy for contracting with the external auditors and raising its recommendation to the Board on their selection, resignation or discharge. The Committee also ensures their compliance with the applicable rules, regulations, resolutions and the Company's Articles of Association in addition to following up and monitoring their independence and meeting and discussing with them the nature, scope and efficiency of their audit and all relevant matters.
- Reviewing, appraising and implementing the Company's systems of internal audit and risk management, discussing these systems with the Board in addition to ensuring that the Internal Control and Audit department carries out its duties of establishing efficient internal control systems. The Committee studies the above-mentioned department's reports and follows up the rectification measures for the shortcomings raised therein to ensure that it is undertaking its duties accurately. In addition, the Committee provides the required tools for the internal audit and for reviewing and monitoring its efficiency. It also reviews the external auditor's evaluation of the internal audit measures and ensures that a coordination between the internal and external auditors exists. The Committee further looks into the outcomes of the fundamental investigations on the internal audit related matters which are assigned to the Committee by the Board or initiated by the Committee and approved by the Board.
- Monitoring the Company's abidance by the relevant laws and regulations and by the code of good conduct as well as setting out controls that enable the Company's employees to report potential violations in the financial statements or the internal control along with the measures that warrant fair and independent investigations for the same.
- Monitoring the related parties' dealings/transactions with the Company, ensuring non-existence of conflict of interest and making recommendations to the Board on such transactions before signing of the same.

The Committee's Charter has detailed the Audit Committee's duties, composition, conditions and quorum for convening its meetings and the mechanisms of its decision-making.

The Committee is comprised of four members who are well-versed and experienced in financial and accounting matters. Three of the Committee members were selected from the Non-Executive Board members out of whom two are Independent while the fourth is an external member who holds finance-related qualifications with relevant experience. The Committee convenes eight times per year and whenever necessary.

Risk Committee

The Risk Committee undertakes its duties in accordance with its Charter, which complies with the requirements of the Governance Rules and Corporate Discipline Standards and the relevant legislations that are in force in the UAE. This Charter is considered a delegation from the Board to the Risk Committee to undertake the tasks mentioned therein, which include the following:

- Overseeing the Company's risk management systems, assessing the effectiveness and mechanisms for determining, measuring and monitoring risks and determining areas of inadequacies.
- Advising the Board in relation to its determination of overall risk appetite, tolerance and strategy, taking into account the Company's values and public interest purpose, as well as the current and prospective regulatory, macroeconomic, technological, environmental and social developments and trends that may be relevant for the Company's risk policies.
- Regularly reassessing the Company's capacity to take on risks and be exposed to such risks by overseeing the monitoring of the Company's risk exposure against the Risk Appetite Framework and recommend mitigation actions as appropriate to ensure that the Company does not go beyond such level.
- Considering any matter delegated to it by the Board within the roles, responsibility and scope of the Committee, notwithstanding that the matters may have been previously referred to and considered by another Board Committee.
- Providing advice and assurance to the Board by adopting a holistic and enterprise wide view of the Company and the key risks that it is exposed to, assessing the adequacy and effectiveness of the Company's adoption of the Enterprise-Wide Risk Management Framework.
- Advising, where appropriate, the Board on proposed strategic transactions including acquisitions or disposals ensuring that a due diligence appraisal of the proposition is undertaken, focusing on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available.
- Assisting in the establishment of a consistent ERM framework across e& and its subsidiaries and Operating Companies (OpCos).
- Providing oversight over subsidiary and OpCo's key risk exposures.
- Review reports on any material breaches of risk limits and the adequacy of proposed action.

The Committee's Charter has detailed the Risk Committee's duties, composition, conditions and quorum for convening its meetings and the mechanisms of its decision-making. The Committee is comprised of four members with a wealth of expertise and business experience within the telecommunication industry and in the field of risk management. All the Committee members were selected from the Non-Executive Board members, of whom three are Independent Board members.

The Risk Committee meets at least once every three months and may convene additional meetings, when the need arises or upon the invitation of the Board of Directors or its Chairperson.

Corporate Governance (continued)

Nominations and Remunerations Committee

In compliance with the applicable laws in the field of governance and in implementation of its best practices, the Board of Directors has constituted the Nominations and Remunerations Committee to undertake the duties stipulated in the Committee's Charter, which is in line with the requirements of the Governance Rules and Corporate Discipline Standards and the relevant rules and legislations put in force in the UAE. This Charter is viewed as a delegation from the Board of Directors to the Committee to discharge its duties mentioned therein.

The main objective of constituting the Nominations and Remunerations Committee is to ensure that the Board of Directors is undertaking its duties competently and diligently. The Committee reviews the composition of the subsidiaries' Board of Directors and the changes that can be carried out on those Boards. The Committee also carries out an annual review of the skills, capabilities and qualifications required for the membership of those Boards. The Committee directly oversees the appointments of the Group's top management.

The Committee is also responsible for organising and following up the nomination procedures for Board membership in line with the UAE's applicable rules and regulations and Securities and Commodities Authority's (SCA) resolutions.

The Committee is further entrusted with determining the Company's needs for talents at the level of executive management and staff and their selection criteria, and with developing policies for training, human resources and granting compensations and incentives to the Company's Board members, executive management and employees. In the course of exercising its functions, the Committee takes into consideration the competitive nature of the Company's strategy and fair compensations that are commensurate with such strategy to attract, ensure diversification between the two genders and retain these talented employees for the achievement of the best possible results. The Committee also links the remunerations and the Company's performance on the short, medium and long-term.

The Committee's Charter provides for the detailed powers of the Committee, its composition, the conditions and quorum of its meetings' convention and decision-making mechanisms.

The Nominations and Remunerations Committee is composed of four Non-Executive members from the Board of Directors (three of them are Independent members). The Committee holds four meetings per year or as needed.

Investment and Finance Committee

In addition to the Audit Committee, Risk Committee and the Nominations and Remunerations Committee provided for in the legislations related to Governance Rules and Corporate Discipline Standards, the Board of Directors established the Investment and Finance Committee to assist the Board in carrying out its functions related to the Company's internal and external investments. The Charter of the Committee defines the functions and duties assigned to the Committee and specifies the cases in which the Committee is entitled to make decisions as it deems appropriate. At the same time, it provides for those cases in which the Committee's role is confined to making recommendations to the Board for passing appropriate resolutions thereon. That Charter is deemed an authorisation by the Board for the Committee to carry out the functions and responsibilities stipulated therein.

The Committee assumes a wide array of responsibilities, the major ones among which are to carry-out reviews and make recommendations to the Board concerning the policies and frameworks related to the treasury, investment and divestment strategies, capital structure of the Company and its subsidiaries, the Company's dividend policies which have regard to regulatory requirements and have impact on surplus funds, issuance of guarantees and pledges and definition of operational and financial targets, plans and KPIs.

The Investment and Finance Committee is comprised of five Non-Executive members from the Board of Directors (four of them are Independent). The Committee holds six meetings per year or as needed.

Group Compliance

e& is fully committed to promote and support all initiatives aimed at fostering a culture within which compliance and ethical obligations are a central tenant. The "tone from the top" is communicated in a clear, succinct and consistent manner so that everyone working for and with the Group is aware that illegal or unethical behaviour is not tolerated.

The Group is committed to complying with the laws and regulations of the various jurisdictions where it operates. Compliance with national and international laws, regulations and best practices is of the utmost importance in order to protect the Company's reputation, ensure that the Company remains competitive in the market, grow the business, and avoid penalties.

Compliance culture

e& is true to its mission and core values, and senior management has created an environment in which everyone is encouraged to say and do the right thing. In our effort to reinforce and embed a culture of compliance across the Group, e& strives to ensure that all staff, outsourced providers and contracting parties adhere to the Company's policies, processes and procedures. We have achieved this through our commitment to maintain a culture of compliance at the middle and the top, the provision of information and training, ensuring alignment with enterprise risk management, incentivising ethical behaviour, and deploying technology to manage scalability and reliability of processes.

Compliance governance

At e&, compliance governance extends beyond the organisational chart, as it is central to establishing its importance amongst the Board and senior management and for embedding a culture of compliance. Compliance governance ensures that there are checks and balances at every level of the Company, enabling transparency and the monitoring of potential incidents of non-compliance.

e&'s Board of Directors appointed the Group Chief Legal & Compliance Officer (GCLCO) to oversee Group-wide compliance. The GCLCO oversees the planning and execution of compliance initiatives that are necessary for the establishment and strengthening of the Company's compliance programme. The GCLCO also engages in activities that promote an ethical culture and adherence to the highest level of ethical standards. The GCLCO reports to the Board of Directors, through the Group Audit Committee, on the state of compliance across the Group.

Education and training

The Group provides employees at all levels with compliance training on the Code of Conduct, to assist them in making ethical choices. Many of the training programmes are designed to reinforce the Group's values. Compliance training and awareness resources foster a culture of compliance across the Company, ensures that employees are kept up to speed with compliance matters and assists in preventing incidents of non-compliance. The Group provides training to employees on its speak-up measures to ensure that employees know how to respond when they find themselves in a crisis or conflict situation. Group Compliance organises targeted compliance training events and workshops for a range of stakeholders, this year this included training for senior leaders on creating an ethical business culture, led by external law firm Squire Paton Boggs as well as the Annual Compliance Day event to celebrate International Anti-Corruption Day. The e& Annual Compliance Day brings together compliance stakeholders from across the Group to listen and interact with industry leading experts on compliance, business ethics and legal topics. Currently in its fifth consecutive year, the event has featured renowned industry figures such as 2020 speaker Michaela Ahlberg (former CCO of Telia), and 2021's speaker Sam Eastwood, Partner at Mayer Brown, and member of the Transparency International UK Board.

The Company also launched a refreshed Code of Conduct to raise awareness of ethical business conduct and signal both internally and externally, our tangible commitment to Making Good Possible, our internal brand for our compliance and ethics initiative aligned with the Company's overall purpose.

Channels of communication

e& employees have access to a variety of open communication channels where they can raise questions and receive guidance on compliance matters. Their first point of contact is generally their Line Manager. Employees can also raise their concerns with the Compliance, Legal, Human Resources and Special Audit departments.

The global whistleblowing process affords staff the opportunity, in confidence and without fear of retaliation, the ability to raise concerns and receive feedback. The process promotes openness in the workplace and encourages employees to report instances of unethical behaviour, actual or suspected fraud and violation of the Group's policies, processes and any applicable laws and regulations.

The information that is received during this process is recorded and then categorised according to the type of complaint made, the source of the complaint and the frequency. This process helps to ensure that appropriate and timely recommendations or remediation strategies are made/implemented.

05 Consolidated Financial Statements

To the Shareholders of Emirates Telecommunications Group Company PJSC

Independent Auditors' Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emirates Telecommunications Group Company PJSC ("the Company") and its subsidiaries ("the Group or collectively as e&"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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.

Revenue recognition

See Note 3, 4 and 6 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Revenue recognition is considered a key audit matter because of: • reliance on multiple, complex information technology (IT) systems and tools used in the initiation, processing and recording of revenue transactions; • variety of customer offerings with multiple pricing and tariff structures, which may frequently change during the course of the year; • judgments and estimates involved in revenue recognition of multiple element arrangements; and • large volume of transactions. Revenue recognition involves the exercise of a number of key judgments and estimates around the identification of performance obligations that the Group has in its contracts with the customers, determination of stand-alone selling prices, allocation of transaction prices to the various performance obligations and the timing of fulfilling those obligations. We also identified a risk of management override through inappropriate manual topside revenue journal entries as revenue is a key performance indicator for management performance. Refer to notes 3 and 4 for accounting policies and critical accounting judgements and key sources of estimation uncertainty.	Our procedures included, amongst others, those described below: • We understood the significant revenue processes and performed walkthroughs to identify key systems, IT controls and manual controls that are relevant to revenue recognition; • We evaluated the design and implementation and tested the operating effectiveness of the manual controls and general IT controls and application controls around the Group's IT environment relevant to initiation, authorization, processing and recording of revenue transactions. In doing so, we involved our IT specialists to assist in the audit of automated controls, including interface controls between different IT systems; • We tested the reconciliations between the general ledgers and the IT systems for all the key revenue streams; • We undertook analytical reviews and performed substantive analytical procedures on significant revenue streams; • On a sample basis, we tested that the revenue recognised during the year agrees with underlying contractual arrangements for digital and non-digital services; • On a sample basis, we evaluated the revenue recognition relating to multiple element arrangements with customers in accordance with the applicable financial reporting framework; and • On a sample basis, we tested supporting evidence for manual journal entries posted to revenue accounts.

Federal royalty

See Note 4, 7 and 25 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group is liable to pay federal royalty to the UAE Government in accordance with the Cabinet of Ministers decision no. 320/15/23 dated 9 December 2012 "(the Decision"), the new Federal Royalty Scheme issued by UAE Ministry of Finance ("MoF") dated 20 February 2017 ("the Scheme) and the subsequent clarifications and correspondences with MoF. Further, on 3 January 2022, the MoF issued new guidelines for the computation of federal royalty for the financial years 2022 to 2024 with no changes to the guidelines issued previously in February 2017. The federal royalty charge for the year ended 31 December 2022 and the federal royalty liability as of that date amounted to AED 5,771 million (2021; AED 5,542 million and 5,541 million, respectively). As disclosed in notes 4 and 7, the computation of the federal royalty charge requires exercise of critical judgments around the segregation of revenue and costs between regulated and non-regulated activities and determination of which particular items are eligible to be excluded in arriving at that charge and liability.	Our procedures included, amongst others, those described below: • We obtained and inspected the Decision and the Scheme issued by the MoF, and subsequent clarifications and correspondences with the MoF; • We tested the Group's federal royalty computations for reasonableness, including assessing the critical judgements made in the computation of the federal royalty charge for the year; • We tested, on a sample basis, the classification of regulated and non-regulated revenues and costs in the computation of the federal royalty charge for the UAE telecom operations; • We tested, on a sample basis, the items which are eligible to be excluded in computing the federal royalty charge and liability; • We tested the allocation of indirect costs on non-regulated operations based on the clarifications received from MoF; • We checked the arithmetical accuracy of the computation of the federal royalty charge for the year; and • We inspected the correspondence between the Group and the MoF with respect to federal royalty to corroborate the accuracy of the associated federal royalty charge and liability in the consolidated financial statements for the year ended 31 December 2022.

Assessment of carrying value of goodwill

See Note 3, 4, 11 and 12 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group holds significant investments in telecommunication and related businesses in various geographical locations. The carrying value of goodwill as of 31 December 2022 totaled AED 10,723 million. The carrying amount of the goodwill is assessed for impairment on the occurrence of a triggering event or at least annually in accordance with IAS 36 Impairment of Assets. The impairment testing of goodwill requires management to identify cash-generating units ("CGUs") in accordance with IAS 36 Impairment of Assets. In arriving at the carrying value of a CGU, judgment is applied by management on which assets and liabilities form part of that CGU. For the CGUs which contain goodwill, the determination of recoverable amount, being the higher of fair value less costs of disposal and value in use, requires judgment on the part of management. The testing then requires comparing the carrying value of each CGU to its recoverable amount, which was estimated as the present value of its future projected cash flows. The estimation of the recoverable amount involves significant judgments, including assumptions around the current and future market conditions in the various geographies that the Group has operations, forecast cash flows, discount rates and any other assets underpinning the recoverable amount.	Our audit approach included an understanding and assessment of the design and implementation of controls over the impairment assessment process. With respect to the recoverable amount, we challenged the Group's methodology in relation to identification of CGUs given our understanding of its operating and business structure, process of management review and reporting and the independence of the cash flows associated with the respective CGUs. With respect to each identified significant CGU, our procedures included, amongst others, those described below: • We tested management judgments around which assets and liabilities should form part of the CGU for reasonableness; • We engaged our valuation specialists to test the reasonableness of the key assumptions underpinning the valuation, including the CGU's respective discount rate and terminal growth rate; • We tested the mathematical accuracy and integrity of the respective impairment workings; • We reconciled the cash flows used in the valuation workings to business plans approved by the Group's Board of Directors; • We assessed the reasonableness of the Board's approved cash flow projections used in the impairment models • We assessed whether the estimates with respect to cash flow projections made in prior periods were reasonable compared to actual performance; • We evaluated the adequacy of impairments that were recognized during the year; • We conducted sensitivity analyses around the key inputs; and • We assessed the adequacy of disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.

To the Shareholders of Emirates Telecommunications Group Company PJSC

Independent Auditors' Report (continued)

Key Audit Matters (continued)

Provisions and contingent liabilities

See Note 3, 4, 7, 9, 10, 25, 31 and 37 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group has exposures to legal, regulatory, tax and other commercial disputes in various geographical jurisdictions in which it operates. The consolidated financial statements include provisions with respect to these exposures, and note 37 describes those exposures that represent contingent liabilities. The recognition of provisions and disclosure of contingent liabilities involves significant judgment around the merit of the Group's legal and commercial positions. These provisions are based on judgments and estimates made by management in determining the likelihood and magnitude of claims.	Our procedures included, amongst others, those described below: • For legal cases, we obtained a summary of all the significant legal disputes that the Group is engaged in, discussed the status of the significant cases with the Group's legal counsel and, where we deemed appropriate, also liaised with the Group's external legal counsel and obtained their opinions on the merits of the Group's legal positions to corroborate with those of management. In view of these procedures we assessed the Group's positions on significant legal cases and their accounting treatments for reasonableness; • For regulatory exposures we enquired of relevant management teams to understand the status of the disputes/assessments, reviewed any relevant correspondence between the Group and the counter party and assessed any historical experience with the respective counter parties to evaluate the merit of the Group's calculation of the provision for these exposures. We also considered the sufficiency and reasonableness of the associated disclosures provided in the consolidated financial statements; • For provisions and exposures relating to other significant commercial positions, we enquired of relevant management teams to understand the status of the disputes, reviewed any relevant correspondence between the Group and the counter party, assessed any historical experience with the respective counter parties to evaluate the merit of the Group's calculation of the provision for these exposures and liaised with the Group's internal counsel and obtained legal opinions around the merit of the Group's legal position with respect to each significant dispute. Where considered necessary we also obtained independent advice on the interpretation of clauses in legal agreements from legal counsel retained by us. We also considered the sufficiency and reasonableness of the associated disclosures provided in the consolidated financial statements; and • For tax related exposures we obtained an understanding of the status of the tax cases, the merits of the Group's position in view of tax rules, historical experience of their resolutions and cited correspondence with the relevant tax authorities, where applicable. In light of the above, we assessed the adequacy of disclosures in the consolidated financial statements.

Property, plant and equipment

See Note 3, 4 and 13 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The carrying value of the Group's property plant and equipment ("PPE") amounts to AED 39,925 million, which represents 28% of the Group's total assets as of 31 December 2022. This reflects the Group's widespread footprint of network infrastructures and the technological and highly specialised nature of these assets. We focused on this area of the consolidated financial statements, due to the significance of the PPE balance and management's judgments and estimates involved in relation to its carrying value. There are a number of areas where management judgments and estimates impact the carrying value of PPE. Key judgments and estimates made by the management in accounting for PPE include: • assessment of whether the costs incurred are eligible for capitalisation; and • the annual review of assets' useful lives and their residual values, if any. Refer to notes 3 and 4 for accounting policies and critical accounting judgments and key sources of estimation uncertainty.	Our audit approach included a combination of controls and substantive testing as described below: • We evaluated the design and implementation and tested the operating effectiveness of relevant controls for the PPE capitalization and depreciation; • On a sample basis, we performed test of details on costs capitalized during the year ended 31 December 2022 which included examination of management's assessment as to whether the costs met the criteria for capitalization under IFRS; and • On a sample basis, we evaluated the reasonableness of depreciation rates and residual values assigned to certain asset categories. We also tested on a sample basis, whether depreciation commenced when these were available for use as intended by management and recomputed the depreciation charge

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Chairman's Statement and Group CEO's Statement, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of the auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 have obtained prior to the date of this auditors' 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 remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

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 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.

Auditors' 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 auditors' 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 skepticism 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

To the Shareholders of Emirates Telecommunications Group Company PJSC

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the consolidated Financial Statements (continued)

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 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.

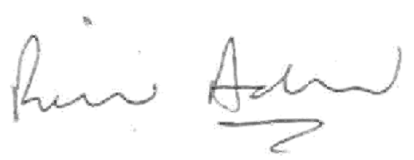
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law 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.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021 we report that for the year ended 31 December 2022:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- 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;
- the Group has maintained proper books of account;
- the financial information included in the Chairman's Statement is consistent with the books of account of the Group;
- as disclosed in notes 15 , 17 and 18 to the consolidated financial statements, the Group has purchased additional shares during the year ended 31 December 2022;
- note 19 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- 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 financial year ended 31 December 2022 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 consolidated financial position as at 31 December 2022; and
- note 7 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2022.

KPMG Lower Gulf Limited



Richard Ackland
Registration Number No:1015
Abu Dhabi, United Arab Emirates

Date: 06 March 2023

Emirates Telecommunications Group Company PJSC

Consolidated statement of profit or loss

for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Revenue	**6 (a)**	**52,434,227**	**53,342,246**
Operating expenses	7 (a)	(33,323,052)	(34,081,274)
Impairment loss on trade receivables and contract assets	35 (b)	(803,470)	(1,069,210)
Impairment loss on other assets - net	12	(2,756)	(148,141)
Share of results of associates and joint ventures	16	417,358	297,462
Operating profit before federal royalty		**18,722,307**	**18,341,083**
Federal royalty	7 (b)	(5,770,893)	(5,541,606)
Operating profit		**12,951,414**	**12,799,477**
Finance and other income	8	2,000,601	1,289,120
Finance and other costs	9	(2,674,340)	(1,284,136)
Profit before tax		**12,277,675**	**12,804,461**
Income tax expenses	10	(1,751,977)	(1,744,972)
Profit for the year		**10,525,698**	**11,059,489**
Profit attributable to:			
Owners of the Company		10,007,361	9,317,045
Non-controlling interests	15(c)	518,337	1,742,444
		10,525,698	**11,059,489**
Earnings per share			
Basic and diluted	39	AED 1.15	AED 1.07

Chairman

Board Member

The accompanying notes on pages 50 to 81 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 45 to 47.

Emirates Telecommunications Group Company PJSC

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Profit for the year		**10,525,698**	**11,059,489**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations - net of tax		20,398	(51,594)
Share of other comprehensive gain/(loss) of associates and joint ventures – net of tax		8,947	(2,189)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(5,260,477)	(1,285,250)
Gain on net investment hedge	28,34	545,895	782,797
Fair value gain arising on cash flow hedges	28	209,110	97,490
Loss on revaluation of financial assets		(5,724,804)	(5,458)
Share of other comprehensive income of associates and joint ventures – net of tax		33,672	20,012
Total other comprehensive loss		**(10,167,259)**	**(444,192)**
Total comprehensive income for the year		**358,439**	**10,615,297**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		1,637,852	9,560,109
Non-controlling interests		(1,279,413)	1,055,188
		358,439	**10,615,297**

The accompanying notes on pages 50 to 81 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 45 to 47.

Emirates Telecommunications Group Company PJSC

Consolidated statement of financial position

as at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Non-current assets			
Goodwill and other intangible assets	11	22,339,232	25,830,041
Property, plant and equipment	13	39,925,299	43,715,088
Right-of-use assets	14	1,781,560	2,436,921
Investments in associates and joint ventures	17	8,266,101	4,452,409
Other investments	18	15,715,504	3,597,210
Trade and other receivables	21	446,248	459,899
Finance lease receivables	23	1,138,181	123,448
Derivative financial instruments	28	208,220	5,171
Contract assets	22	556,768	460,317
Deferred tax assets	10	220,111	136,863
		90,597,224	**81,217,367**
Current assets			
Inventories	20	972,875	748,786
Trade and other receivables	21	15,647,768	14,288,386
Current income tax assets		484,686	725,836
Finance lease receivables	23	195,533	25,505
Due from related parties	19	112,319	82,026
Contract assets	22	1,824,918	1,389,614
Other investments	18	2,407,143	434,192
Derivative financial instruments	28	3,357	-
Cash and bank balances	24	32,839,482	28,575,372
Assets held for sale	42	-	709,982
		54,488,081	**46,979,699**
Total assets		**145,085,305**	**128,197,066**
Non-current liabilities			
Trade and other payables	25	1,247,240	1,365,500
Borrowings	27	24,209,643	19,176,107
Payables related to investments and licenses	29	302,250	512,945
Deferred tax liabilities	10	1,645,275	2,155,977
Lease liabilities	30	2,602,977	2,109,273
Provisions	31	381,677	377,561
Provision for employees' end of service benefits	32	1,166,134	1,223,883
Contract liabilities	26	97,855	42,426
		31,653,051	**26,963,672**
Current liabilities			
Trade and other payables	25	30,583,955	28,701,904
Contract liabilities	26	2,991,721	3,016,756
Borrowings	27	23,744,566	6,556,178
Payables related to investments and licenses	29	13,686	111,272
Current income tax liabilities		415,036	312,264
Lease liabilities	30	542,233	544,777
Provisions	31	5,028,677	4,270,082
Derivative financial instruments	28	-	40,660
Due to related parties	19	-	4,733
Provision for employees' end of service benefits	32	113,280	110,946
		63,433,154	**43,669,572**
Total liabilities		**95,086,205**	**70,633,244**
Equity			
Share capital	33	8,696,754	8,696,754
Reserves	34	20,240,124	28,598,188
Retained earnings		13,326,978	10,291,094
Equity attributable to the owners of the Company		42,263,856	47,586,036
Non-controlling interests	15	7,735,244	9,977,786
Total equity		**49,999,100**	**57,563,822**
Total liabilities and equity		**145,085,305**	**128,197,066**

To the best of our knowledge, the financial information included in these consolidated financial statements presents fairly, in all material respects, the financial position, results of operations and cash flows of e& as of, and for, the years presented therein.

Chairman

Board Member

The accompanying notes on pages 50 to 81 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 45 to 47.

Emirates Telecommunications Group Company PJSC

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Notes	Attributable to owners of the Company: Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Owners' equity AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 1 January 2021		**8,696,754**	**28,400,580**	**11,936,605**	**49,033,939**	**11,516,082**	**60,550,021**
Profit for the year		-	-	9,317,045	9,317,045	1,742,444	11,059,489
Other comprehensive income/(loss) for the year		-	270,210	(27,146)	243,064	(687,256)	(444,192)
Total comprehensive income for the year		**-**	**270,210**	**9,289,899**	**9,560,109**	**1,055,188**	**10,615,297**
Other movements in equity		-	1,264	(1,135)	129	(960)	(831)
Transfer to reserves		-	124,406	(124,406)	-	-	-
Transactions with owners of the Company:							
Repayment of advances to non-controlling interests		-	-	-	-	(67,274)	(67,274)
Acquisition of non-controlling interests (NCI) without a change in control	15(d)	-	(198,272)	(378,275)	(576,547)	(1,286,423)	(1,862,970)
Dividends	38	-	-	(10,431,594)	(10,431,594)	(1,238,827)	(11,670,421)
Balance at 31 December 2021		**8,696,754**	**28,598,188**	**10,291,094**	**47,586,036**	**9,977,786**	**57,563,822**
Balance at 1 January 2022		**8,696,754**	**28,598,188**	**10,291,094**	**47,586,036**	**9,977,786**	**57,563,822**
Profit for the year		-	-	10,007,361	10,007,361	518,337	10,525,698
Other comprehensive income / (loss) for the year		-	(8,399,796)	30,287	(8,369,509)	(1,797,750)	(10,167,259)
Total comprehensive income for the year		**-**	**(8,399,796)**	**10,037,648**	**1,637,852**	**(1,279,413)**	**358,439**
Other movements in equity		-	(368)	(5,268)	(5,636)	(12,321)	(17,957)
Transfer to reserves		-	87,102	(87,102)	-	-	-
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	(45,002)	45,002	-	-	-
Transactions with owners of the Company:							
Acquisition of a subsidiary	41.2	-	-	-	-	218,232	218,232
Dividends	38	-	-	(6,954,396)	(6,954,396)	(1,169,040)	(8,123,436)
Balance at 31 December 2022		**8,696,754**	**20,240,124**	**13,326,978**	**42,263,856**	**7,735,244**	**49,999,100**

The accompanying notes on pages 50 to 81 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 45 to 47.

Emirates Telecommunications Group Company PJSC

Consolidated statement of cash flows

for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Operating profit		**12,951,414**	**12,799,477**
Adjustments for:			
Depreciation		5,794,766	6,370,772
Amortisation		1,854,270	1,824,688
Impairment loss on other assets - net		2,756	148,141
Share of results of associates and joint ventures		(417,358)	(297,462)
Provisions and allowances		(768,293)	35,500
Unrealised currency translation loss/(gain)		536,686	(905,547)
Operating cash flows before changes in working capital		**19,954,241**	**19,975,569**
Changes in:			
Inventories		(292,095)	(66,299)
Due from related parties		(30,293)	(6,481)
Trade and other receivables including contract assets		(2,581,546)	(380,286)
Trade and other payables including contract liabilities		4,037,631	821,242
Cash generated from operations		**21,087,938**	**20,343,745**
Income tax expenses paid		(1,841,221)	(2,118,248)
Payment of employees' end of service benefits		(112,216)	(114,641)
Net cash generated from operating activities		**19,134,501**	**18,110,856**
Cash flows from investing activities			
Proceeds from disposal of investments at amortised cost		349,367	185,213
Acquisition of investments at amortised cost		(575,536)	(1,231,372)
Acquisition of subsidiaries (net of cash and bank balances acquired)	41	(224,015)	(57,340)
Acquisition of investments classified as fair value through profit or loss		(1,549,577)	(769,720)
Proceeds from disposal of investments classified as fair value through profit or loss		366,997	2,122,619
Acquisition of non-controlling interests without a change in control	15 (d)	-	(1,862,970)
Acquisition of investments classified as fair value through other comprehensive income ("OCI")		(18,688,232)	(12,756)
Proceeds from disposal of investments classified as fair value through OCI		61,838	-
Acquisition of interest in an associate		(638,889)	-
Purchase of property, plant and equipment		(6,747,423)	(6,446,212)
Proceeds from disposal of property, plant and equipment		67,201	50,306
Purchase of intangible assets		(1,289,877)	(1,916,139)
Proceeds from disposal of intangible assets		898	2,332
Dividend income received from associates, joint ventures and other investments		334,570	124,344
Term deposits made with maturities over three months		(32,373,123)	(8,023,167)
Term deposits matured with maturities over three months		11,180,517	17,440,742
Cash flows from unwinding of derivative financial instruments - net	28	22,323	(8,101)
Finance and other income received		1,241,615	1,044,438
Net cash (used in)/generated from investing activities		**(48,461,346)**	**642,217**
Cash flows from financing activities			
Proceeds from borrowings	27(c)	30,439,982	10,639,273
Repayments of borrowings	27(c)	(6,646,006)	(10,214,403)
Payments of lease liabilities	27(c)	(707,205)	(714,931)
Repayment of advances to non-controlling interests		-	(67,274)
Dividends paid		(8,035,146)	(11,574,258)
Finance and other costs paid		(1,431,103)	(1,154,800)
Net cash generated from/(used in) financing activities		**13,620,522**	**(13,086,393)**
Net (decrease)/increase in cash and cash equivalents		**(15,706,323)**	**5,666,680**
Cash and cash equivalents at the beginning of the year		19,911,520	13,205,530
Effect of foreign exchange rate changes		(1,003,002)	1,039,310
Cash and cash equivalents at the end of the year	24	**3,202,195**	**19,911,520**

The accompanying notes on pages 50 to 81 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 45 to 47.

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

1. General information

e& comprises Emirates Telecommunications Group Company PJSC ("the Company"), formerly known as Emirates Telecommunications Corporation ("the Corporation") and its subsidiaries. The Corporation was incorporated in the United Arab Emirates ("UAE"), with limited liability, in 1976 by UAE Federal Government decree No. 78, which was revised by the UAE Federal Act No. (1) of 1991 and further amended by Decretal Federal Code No. 3 of 2003 concerning the regulation of the telecommunications sector in the UAE. In accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Corporation to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government.

The Federal-Decree Law no. 3 of 2015 ("the New Law") has amended certain provisions of the Federal Law No. (1) of 1991 and new articles of association of Emirates Telecommunications Group Company PJSC (the "New AoA") have been issued. Subsequent to the New Law and the New AoA, Emirates Telecommunications Corporation has been converted from a corporation to a public joint stock company and is subject to the provisions of UAE Federal Law no. 2 of 2015 on Commercial Companies (the "Companies Law") unless otherwise stated in the New Law or New AoA. Accordingly, the name of the corporation has been changed to Emirates Telecommunications Group Company PJSC. Etisalat Law was further amended by Federal Decree -Law No. 1 of 2021, which increased the Non-UAE nationals ownership cap from 20% to 49% of the Company share capital.

Federal Decree - Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. e& held a General Assembly meeting on 8th December 2021, which approved all the necessary amendments to the Articles of Association to be aligned with Federal Decree by Law No. 26 of 2020.

Under the New Law and the New AoA: i) Two types of share have been introduced, i.e. ordinary shares and one Special Share held by the Emirates Investment Authority ("the Special Shareholder") which carries certain preferential rights related to the passing of certain decisions by the Company. ii) The minimum number of ordinary shares held by any UAE government entity in the Company has been reduced from at least 60% of the Company's share capital to not less than 51%, unless the Special Shareholder decides otherwise. iii) Shareholders, natural or legal person, who are Non-UAE National may own up to 20% of the Company's ordinary shares, however, the shares owned by such persons / entities shall not hold any voting rights in the Company's general assembly, although holders of such shares may attend such meeting. On 11 October 2018, the Board of Directors of e& approved by circulation to lift the restrictions on voting rights of foreign shareholders so that they shall enjoy the same voting rights of UAE citizens. Accordingly, a special resolution was passed during the Annual General Meeting held on 20 March 2019 to that effect, all required approvals were obtained and all necessary amendments were incorporated in the New AoA to put the afore-said resolution in place. e&'s Board of Directors, in its meeting on 20 January 2021, recommended to increase the foreign ownership limit from 20% to 49% of the Company's share capital subject to the approval of e&'s General Assembly scheduled on 17 March 2021 and the approval of the competent authorities. On 29 August 2021, e& secured the required approvals for increasing the foreign ownership limit in its share capital to 49% and accordingly, the new foreign ownership limits have come into effect.

On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015. Companies have (1) one year from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. (32) of 2021. The Company's annual general assembly approved in its last meeting held on 5th April 2022 the amendments to its Articles of Association, in order to be compliant with the UAE Federal Decree Law No. (32) of 2021, and such amendments were also approved by Telecommunications and Digital Government Regulatory Authority (TDRA) via its Chairman resolution No. 18 of 2022 dated 27 June 2022 and published in the Official Gazette No 730 issued on 30 June 2022.

The address of the registered office of the Company is P.O. Box 3838, Abu Dhabi, United Arab Emirates. The Company's shares are listed on the Abu Dhabi Securities Exchange.

These consolidated financial statements comprise the Company and its subsidiaries ("the Group" or collectively as "e&").

The principal activities of e& are to provide telecommunications services, media and related equipment including the provision of related contracting and consultancy services to international telecommunications companies and consortia. These activities are carried out through the Company (which holds a full service license from the UAE Telecommunications Regulatory Authority valid until 2025), its subsidiaries, associates and joint ventures.

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 6 March 2023.

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

2. Basis of preparation

These consolidated financial statements of e& have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable requirements of the UAE Federal Law No. (32) of 2021. The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the application of e&'s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note 4. These consolidated financial statements are prepared under the historical cost convention except for the revaluation of certain financial instruments and in accordance with the accounting policies set out herein.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique.

These consolidated financial statements are presented in UAE Dirhams (AED) which is the Company's functional and presentational currency, rounded to the nearest thousand except where otherwise indicated.

3. Significant accounting policies

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below.

New and amended standards issued and effective

The following new and amended standards have been adopted in the consolidated financial information.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

There has been no material impact on the consolidated financial statements of e& upon adoption of the above new and amended standards.

New and amended standards issued but not yet effective

At the date of these consolidated financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

New and amended standards not effective and not yet adopted by e&	Effective date
IFRS 17 Insurance contracts	1 January 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023

These new and amended standards are not expected to have a significant impact on e&'s consolidated financial statements.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when e&:

- has power over the investee;
- is exposed or has rights, to variable returns from its involvement; and
- has the ability to use its power to affect its returns.

The existence and effect of potential voting rights that are currently substantive and exercisable or convertible are considered when assessing whether e& has the power to control another entity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from e&'s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests share of changes in equity since the date of the business combination. Total comprehensive income within subsidiaries is attributed to e& and to the non-controlling interest even if this results in non-controlling interests having a deficit balance.

Subsidiaries are consolidated from the date on which effective control is transferred to e& and are excluded from consolidation from the date that control ceases.

Intercompany transactions, balances and any unrealised gains/losses between Group entities have been eliminated in the consolidated financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by e&.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. Purchase consideration is measured as the aggregate of the fair value, at the date of exchange, of the assets given, equity instruments issued and liabilities incurred or assumed. The acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over e&'s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, e&'s interest in the acquisition-date net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated statement of profit or loss.

The non-controlling interest in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised at acquisition date. Changes in e&'s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When e& loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Step acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Associates and joint ventures

A joint venture is a joint arrangement whereby e& has joint control of the arrangement and has corresponding rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Associates are those companies over which Group exercises significant influence but it does not control or have joint control over those companies. Investments in associates and joint ventures are accounted for using the equity method of accounting except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, which includes transaction costs, as adjusted by post-acquisition changes in e&'s share of the net assets of the associates and joint ventures less any impairment in the value of individual investments. Losses of the associates and joint ventures in excess of e&'s interest are not recognised unless e& has incurred legal or constructive obligations.

The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if impairment in the value has occurred, it is written off in the period in which those circumstances are identified.

Any excess of the cost of acquisition over e&'s share of the fair values of the identifiable net assets of the associates at the date of acquisition is recognised as goodwill and included as part of the cost of investment. Any deficiency of the cost of acquisition below e&'s share of the fair values of the identifiable net assets of the associates at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

3. Significant accounting policies (continued)

Profits and losses resulting from upstream and downstream transactions between e& (including its consolidated subsidiaries) and its associates or joint ventures are recognised in e&'s financial statements only to the extent of unrelated group's interests in the associates or joint ventures. Losses may provide evidence of an impairment of the asset transferred, in which case appropriate provision is made for impairment.

Dilution gains and losses arising on deemed disposal of investments in associates and joint ventures are recognised in the consolidated statement of profit or loss.

Revenue recognition

Revenue is measured at an amount that reflects the consideration, as specified in the contract, to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties. e& recognises revenue when it transfers control over goods or services to its customers.

Revenue from telecommunication services mainly comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, data and connectivity services, providing information and communication technology (ICT) and digital solutions, connecting users of other fixed line and mobile networks to e&'s network. Services are offered on a standalone basis as well as part of multiple element arrangements along with other services and/or devices.

For multiple element arrangements, e& accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items in the package and if a customer can benefit from it). The consideration is allocated between separate product and services (i.e. distinct performance obligations, "POs") in multiple element arrangements, based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the observable price at which e& sells the products and services on a standalone basis, where standalone selling prices are not directly observable, estimation techniques are used maximizing the use of observable inputs. Suitable methods for estimating the standalone selling price include adjusted market assessment approach, cost plus margin approach or residual approach.

Performance obligations and revenue recognition policies:

The following is a description of nature of distinct PO and timing of revenue recognition for key segments from which e& generates its revenue. The amount of revenue recognised is adjusted for expected discounts and volume discounts, which are estimated based on the historical data for the respective types of service or product being offered.

Service/ Product category	Nature of performance obligations	Point of revenue recognition and significant payment terms
Mobile services contracts	• Voice, data and messaging and value added service (VAS), • Loyalty points	Revenue recognition for voice, data, messaging and VAS is recognized over the period when these services are provided to the customers. Revenue recognition for loyalty points is when the points are redeemed or expire. Mobile services contracts are billed on a monthly basis based as per agreed terms of contract for respective services, which is generally either fixed recurring rentals and/or usage.
Unlocked devices contracts	• Unlocked devices provided along with a service contract	Revenue is allocated to unlocked device in the ratio of relative standalone selling price and recognised on date of transfer of control, which is generally on the date of signing the contract. In case of device sales, transfer of control is immediate, whereas the billing terms may be either full upfront billing or installment billing.
Consumer fixed contracts	• TV service • Unlocked devices (IP Phone and Routers) • Broadband services • Fixed telephone service	Revenue recognition for services is over the contract period, whereas revenue recognition for unlocked devices is upon transfer of control to the customer (i.e. Day 1). The services are billed on a monthly basis as per the agreed terms of contract for respective services, which is generally either fixed recurring rentals and/or usage.
Business Fixed contracts	• Gateway router • Fixed voice • Internet service • Office application • Security solution • Managed services • Ancillary devices • (laptop, printer, IP Telephone, etc)	Revenue recognition for services is over the contract period, whereas revenue recognition for ancillary devices is upon transfer of control to the customer (i.e. point in time). The contracts are billed and paid on monthly basis.

Service/ Product category	Nature of performance obligations	Point of revenue recognition and significant payment terms
Business Solutions contracts	• Connectivity service (IPVPN, leased lines, etc) • Managed Services • IPTV services	Revenue is recognised over the period when these services are provided to the customers. Where hardware (e.g. routers) are provided as part of the contract, e& recognises these as distinct PO only if the hardware is not locked and if the customer can benefit from them either by selling for more than scrap value or using with services from other service providers. If the customer cannot benefit from hardware on its own, then it is not considered distinct POs and revenue is recognised over the service period. The contracts are billed and paid on monthly basis.
Digital Solutions contracts	Digital and ICT solutions	The separable components of the solution are distinct POs. Revenue is recognised based on output measures (such as the proportion of units delivered) to measure progress towards complete satisfaction of POs where such measures are available. The contracts are billed as per contract terms.
Miscellaneous	Installation services	Installation services provided for service fulfillment are not distinct POs and the amount charged for installation service is recognised over the service period. Installation services are generally billed on upfront basis.

Principal versus agent

e& determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for those goods or services to be provided by the other party. e& is a principal if it controls the specified good or service before that good or service is transferred to a customer.

In the case e& is an agent, it does not control the specified good or service provided by another party before that good or service is transferred to the customer. As an agent, e&'s performance obligation is to arrange for the provision of specified good or service by another party and accordingly it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leases

e& as lessee

Right-of-use asset

e& recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, e&'s incremental borrowing rate. Generally, e& uses its incremental borrowing rate as the discount rate. e& determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that e& is reasonably certain to exercise, lease payments in an optional renewal period if e& is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless e& is reasonably certain not to terminate early.

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

3. Significant accounting policies (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in e&'s estimate of the amount expected to be payable under a residual value guarantee, or if e& changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment..

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

e& has elected not to recognise right-of-use assets and lease liabilities for short-term lease of equipments that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. e& recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e& as lessor

At inception or on modification of a contract that contain a lease component, e& allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When e& acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, e& makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, e& considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Foreign currencies

i) Functional currencies

The individual financial statements of each of e&'s subsidiaries, associates and joint ventures are presented in the currency of the primary economic environment in which they operate (its functional currency). For the purpose of these consolidated financial statements, the results, financial position and cash flows of each company are expressed in UAE Dirhams, which is the functional currency of the Company, and the presentation currency of these consolidated financial statements.

In preparing these financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recorded at exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated into the entity's functional currency at rates prevailing at reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ii) Consolidation

On consolidation, the assets and liabilities of e&'s foreign operations are translated into UAE Dirhams at exchange rates prevailing on the date of end of each reporting period. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are also translated at exchange rates prevailing at the end of each reporting period. 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 are recognised in other comprehensive income and are presented in the translation reserve in equity except to the extent they relate to non-controlling interest. On disposal of overseas subsidiaries or when significant influence or joint control is lost, the cumulative translation differences are recognised as income or expense in the period in which they are disposed of.

iii) Foreign exchange differences

Exchange differences are recognised in the consolidated statement of profit or loss in the period in which they arise except for exchange differences that relate to assets under construction for future productive use. These are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings. Exchange differences on transactions entered into to hedge certain foreign currency risks and exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit or loss on disposal of net investment. Exchange differences on qualifying cash flow hedges to the extent the hedges are effective are also recognised in other comprehensive income.

iv) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investment revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

Government grants

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

Employees' end of service benefits

Payments to defined contribution schemes are charged as an expense as they fall due. Payments made to state-managed pension schemes are dealt with as payments to defined contribution schemes where e&'s obligations under the schemes are equivalent to those arising in a defined contribution scheme.

Provision for employees' end of service benefits for non-UAE nationals is made in accordance with the Projected Unit Cost method as per IAS 19 Employee Benefits taking into consideration the UAE Labour Laws. The provision is recognised based on the present value of the defined benefit obligations.

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 discount rates are set in line with the best available estimate of market yields currently available at the reporting date with reference to high quality corporate bonds or other basis, if applicable.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. e&'s liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and e& intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is calculated using relevant tax rates and laws that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

3. Significant accounting policies (continued)

Deferred tax is charged or credited in the consolidated statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that sufficient taxable profits will be available in the future against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill, from investments in associates and joint arrangements to the extent that e& is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and e& intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where e& is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and any impairment. Cost comprises the cost of equipment and materials, including freight and insurance, charges from contractors for installation and building works, direct labour costs, capitalised borrowing costs and an estimate of the costs of dismantling and removing the equipment and restoring the site on which it is located.

Assets in the course of construction are carried at cost, less any impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with e&'s accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

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 e& and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

Other than land (which is not depreciated), the cost of property, plant and equipment is depreciated on a straight line basis over the lesser of the lease period and the estimated useful life as follows:

Buildings		**Years**
Permanent		20 – 50
Temporary		4 – 10
Civil works		10 – 25
Plant and equipment:		
Submarine	– fibre optic cables	10 – 20
	– coaxial cables	10 – 15
Cable ships		15 – 25
Coaxial and fibre optic cables		10 – 25
Line plant		10 – 25
Exchanges		5 – 15
Switches		8 – 15
Radios/towers		8 – 25
Earth stations/VSAT		5 – 15
Multiplex equipment		10 – 15
Power plant		5 – 10
Subscribers' apparatus		3 – 15
General plant		2 – 25
Other assets:		
Motor vehicles		3 – 5
Computers		3 – 5
Furniture, fittings and office equipment		4 – 10

The assets' depreciation methods, residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Intangible assets

Recognition and measurement

(i) Goodwill

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of e&'s share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of e&'s cash-generating units (CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other non-financial assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.
On disposal of an associate, joint venture, or a subsidiary or where Group ceases to exercise control, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Licenses

Acquired telecommunication licenses are initially recorded at cost or, if part of a business combination, at fair value. Licenses are amortised on a straight-line basis over their estimated useful lives from when the related networks are available for use. The estimated useful lives range between 10 and 25 years and are determined primarily by reference to the license period, the conditions for license renewal and whether licenses are dependent on specific technologies.

(iii) Internally-generated intangible assets

An internally-generated intangible asset arising from e&'s IT development is recognised at cost only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives of 3-10 years. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

(iv) Indefeasible Rights of Use

Indefeasible Rights of Use ("IRU") corresponds to the contractual right to use a certain amount of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when e& has the specific indefeasible right to use an identified portion of the underlying asset. Generally, the right to use optical fibres or dedicated wavelength bandwidth is for the major part of the underlying asset's economic life. These are amortised on a straight-line basis over the lesser of the expected period of use and the life of the contract which ranges between 10 to 20 years.

(v) Other intangible assets

Other intangible assets comprising of trade names, customer relationship and other intangible assets are recognised on acquisition at fair values. They are amortised on a straight-line basis over their estimated useful lives. The useful lives of customer relationships range from 3-23 years and trade names have a useful life of 15-25 years. The useful lives of other intangible assets range from 3-10 years.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

3. Significant accounting policies (continued)

Impairment of tangible and intangible assets excluding goodwill

e& reviews the carrying amounts of its tangible and intangible assets whenever there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, e& estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life (including goodwill) is tested for impairment annually. For impairment testing, assets are grouped together into the smallest group of assets that generate cash flows that are largely independent of other assets or cash-generating units.

Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventory

Inventory is 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. 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.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when e& becomes a party to the contractual provisions of the instrument.

i) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, regardless of whether that price is directly observable or in its absence, the most advantageous markets to which e& has access at that date, estimated using another valuation technique. In estimating the fair value of an asset or a liability, e& takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

ii) Financial assets

Financial assets are classified into the following specified categories: 'amortised cost', 'fair value through other comprehensive income with recycling', 'fair value through other comprehensive income without recycling' and 'fair value through profit or loss'. The classification depends on the business model for managing the financial asset and the contractual cash flow characteristics of financial asset and is determined at the time of initial recognition.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

iii) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition less the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income ("FVTOCI"). Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

iv) Fair value through OCI – with recycling

Debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in the consolidated statement of profit or loss. The amounts that are recognised in the consolidated statement of profit or loss are the same as the amounts that would have been recognised in the consolidated statement of profit or loss if these instruments had been measured at amortised cost. All other changes in the carrying amount of these instruments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When these instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss.

v) Fair value through OCI – without recycling

On initial recognition, e& may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

A financial asset is held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- a derivative (except for a derivative that is a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to the consolidated statement of profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings .

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss when e&'s right to receive the dividends is established in accordance with IFRS 15 "Revenue from Contracts with Customers", unless the dividends clearly represent a recovery of part of the cost of the investment.

vi) Fair value through profit and loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see note 3 (iii to iv)) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement of profit or loss includes any dividend or interest earned on the financial asset Fair value is determined in the manner described in note 3 (i).

Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements

for the year ended 31 December 2022

3. Significant accounting policies (continued)

vii) Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less from date of deposit), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.
viii) Impairment of financial assets

viii) Impairment of financial assets

e& recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. 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.

e& always recognises lifetime ECL for trade receivables, lease receivables and contract assets, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on e&'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 conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, e& 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, e& 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 increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, e& compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, e& considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, e& presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless e& has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, e& assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. e& considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

e& regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

b) Definition of default

In case of trade receivables, e& considers that default occurs when a customer balance moves into the "Ceased" category based on its debt age analysis for internal credit risk management purposes. Ceased category refers to category of customers whose telecommunication services have been discontinued.

For all other financial assets, e& considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including e&, in full (without taking into account any collaterals held by e&).

Irrespective of the above analysis, e& considers that default has occurred when a financial asset is more than 90 days past due, unless e& has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

c) Credit – impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

d) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

e& may use various sources of data, that may be both internal and external. Possible data sources include internal historical credit loss experience, internal ratings, credit loss experience of other entities and external ratings, reports and statistics.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. e&'s trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics. e& recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

ix) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' ("FVTPL") or "amortised cost".

x) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as such. A financial liability is classified as held for trading if it has been incurred principally for the purpose of disposal in the near future or it is a derivative that is not designated and effective as a hedging instrument. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in the consolidated statement of profit or loss.

xi) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

xii) Derecognition of financial liabilities

e& derecognises financial liabilities when, and only when, e&'s obligations are discharged, cancelled or they expire. e& also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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Notes to the consolidated financial statements

for the year ended 31 December 2022

3. Significant accounting policies (continued)

xiii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

xiv) Hedge accounting

e& may designate certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign exchange risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges where appropriate criteria are met.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, e& documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that e& actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, e& adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

xv) Derecognition of financial assets

e& derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset or substantially all the risk and rewards of ownership to another entity. If e& neither transfer nor retains substantially all the risks and reward of ownership and continues to control the transferred asset, e& recognises its retained interest in the asset and associated liability for amounts it may have to pay. If e& retains substantially all the risks and rewards of ownership of a transferred financial asset, e& continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Provisions

Provisions are recognised when e& has a present obligation as a result of a past event, and it is probable that e& will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Transactions with non-controlling interests

e& applies a policy of treating transactions with non-controlling interest holders as transactions with parties external to e&. Disposals to non-controlling interest holders result in gains and losses for e& and are recorded in the consolidated statement of profit or loss.

Changes in e&'s ownership interests in subsidiaries that do not result in e& losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of e&'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 owners of the Company.

When e& loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if e& had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Dividends

Dividend distributions to e&'s shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved.

Disposal of assets / assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Assets may be disposed of individually or as part of a disposal group. Once the decision is made to dispose of an asset, it is classified as "held-for-sale" and shall no longer be depreciated, and any equity-accounted investee is no longer equity accounted. Assets that are classified as "held-for-sale" must be disclosed in the financial statements.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with e&'s other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

An asset is considered to be held-for-sale if its carrying amount will be recovered principally through a sale transaction, not through continuing use. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted. The criteria for classifying an asset as held-for-sale are as follows:

- It must be available for immediate sale in its present condition,
- Its sale must be highly probable, and
- It must be sold, not abandoned.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of e&'s accounting policies, which are described in Note 3, 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) Fair value of other intangible assets

On the acquisition of subsidiaries, the identifiable intangible assets may include licenses, customer bases and brands. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset, where no active market for the assets exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets. The relative size of e&'s intangible assets, excluding goodwill, makes the judgements surrounding the estimated useful lives critical to e&'s financial position and performance.

The useful lives used to amortise intangible assets relate to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset.

ii) Classification of interests in other entities

The appropriate classification of certain interests in other entities requires significant analysis and management judgement as to whether e& exercises control, significant influence or joint control over these interests. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de facto control. Changes to these indicators and management's assessment of the power to control or influence may have a material impact on the classification of such investments and e&'s consolidated financial position, revenue and results. Specific judgements regarding the classification of e&'s interests in Maroc Telecom and Pakistan Telecommunications Company Limited are disclosed in Note 15 and interests in associates are disclosed in Note 17.

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

iii) Federal royalty

The computation of federal royalty as disclosed in the note 7(b) of these consolidated financial statements requires a number of calculations in accordance with the Cabinet of Ministers decision No.320/15/23 dated 9 December 2012 (the "Decision") and the Federal Royalty Scheme issued by UAE Ministry of Finance ("MoF") dated 20 February 2017 and 3 January 2022 (the "Scheme") and the subsequent clarifications and correspondences exchanged between e& and MoF (the "Correspondence"). In performing these calculations, management has made certain critical judgments, interpretations and assumptions.

These mainly relate to the segregation of items between regulated and other activities and items which the Company judged as not subject to federal royalty or which may be set off against profits which are subject to federal royalty.

The mechanism for the computation of federal royalty for the year ended 31 December 2022 was in accordance with aforementioned Scheme and the Correspondence.

iv) Revenue recognition

The key areas of judgement in revenue recognition are as follows:

Identifying performance obligations and determining standalone selling prices

Where a contract with a customer consists of two or more performance obligations that have value to a customer on a standalone basis, e& accounts for individual performance obligation separately if they are distinct i.e. if goods or service is separately identifiable from other items in the contract and if a customer can benefit from it. The transaction price is allocated between separate performance obligations based on their stand-alone selling prices. e& applies judgement in identifying the individual performance obligation, determining the stand-alone selling prices and allocating the transaction price between them.

Determination of transaction price

The estimate of the transaction price will be affected by the nature, timing and amount of consideration promised by a customer. In determining the transaction price, e& considering these following aspects:

- variable consideration
- constraining estimates of variable consideration
- the existence of a significant financing component in the contract
- non-cash consideration
- consideration payable to a customer

Refer to Note 3 for additional details on the identification of performance obligation, determination of stand alone selling prices and timing of revenue recognition for the major products and services.

Key sources of estimation uncertainty

i) Impairment of goodwill and investment in associates

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which the goodwill has been allocated. The value-in-use calculation for goodwill and associates requires e& to calculate the net present value of the future cash flows for which certain assumptions are required, including management's expectations of:

- long term forecast cash flows;
- working capital estimates;
- discount rates; and
- capital expenditure;

The key assumptions used and sensitivities are detailed on Note 12 of these consolidated financial statements. A change in the key assumptions or forecasts might result in an impairment of goodwill and investment in associates.

ii) Impairment of other intangible assets

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- long term forecast cash flows;
- working capital estimates;
- discount rates;
- capital expenditure; and
- expected proceeds from disposal of non-operational assets.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the total assets of e&. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to e&'s financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful economic life and the expected residual value at the end of its life. Increasing/decreasing an asset's expected life or its residual value would result in a reduced/increased depreciation charge in the consolidated statement of profit or loss.

iv) Measurement of the expected credit loss allowance

The measurement of the expected credit loss ("ECL") allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic

conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including the various formulas and choice of inputs
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. It has been e&'s policy to regularly review its models in the context of actual loss experience and adjust when necessary.

v) Provisions and contingent liabilities

The management exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigations, assessments and/or other outstanding liabilities and claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provisions. Refer to Note 31 for details on provisions against such pending litigations/claims and Note 37 for details on the contingent liabilities.

vi) Provision for income tax

e& recognizes income tax provisions using estimates based upon expert opinions of its tax and legal advisors. Differences, if any, between the recorded income tax provision and e&'s tax liability, are recorded on the final determination of such liability. Deferred income tax is calculated at the rates that are expected to apply to the period when these temporary differences reverse, based on tax rates that have been enacted or substantively enacted, by the reporting date. Estimates regarding deferred tax include e&'s future tax results and expected changes in temporary differences between assets and liabilities.

5. Segmental information

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

a) Products and services from which reportable segments derive their revenues

e& is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of e&'s revenues, profits and assets relate to its operations in the UAE. Outside of the UAE, e& operates through its subsidiaries and associates in sixteen countries which are divided into the following operating segments:

- Morocco
- Egypt
- Pakistan
- International - others

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5. Segmental information (continued)

Revenue is attributed to an operating segment based on the location of the company reporting the revenue. Inter-segment sales are charged at mutually agreed prices.

e&'s share of results from associates and joint ventures has been allocated to the segments based on the geographical location of the operations of the associate and joint venture investments. The allocation is in line with how results from investments in associates and joint ventures are reported to the Board of Directors.

b) Segment revenues and results

Segment results represent operating profit earned by each segment without allocation of finance income, finance costs and federal royalty. This is the measure reported to e&'s Board of Directors ("Board of Directors") for the purposes of resource allocation and assessment of segment performance.

c) Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total and non-current assets attributable to each segment. Goodwill is allocated based on separately identifiable CGUs as further disclosed in Note 12. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

The segment information has been provided on the following page.

		International					
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000	Eliminations AED'000	Consolidated AED'000
31 December 2022							
Revenue							
External revenue	32,106,688	6,170,486	4,846,842	2,614,283	6,695,928	-	52,434,227
Inter-segment revenue	296,000	379,571	52,900	116,698	96,167	(941,336)	-
Total revenue	**32,402,688**	**6,550,057**	**4,899,742**	**2,730,981**	**6,792,095**	**(941,336)**	**52,434,227**
Segment result	**13,397,703**	**2,324,997**	**1,185,979**	**(189,771)**	**2,003,399**	**-**	**18,722,307**
Federal royalty							(5,770,893)
Finance and other income							2,000,601
Finance and other costs							(2,674,340)
Profit before tax							**12,277,675**
Income tax expenses							(1,751,977)
Profit for the year							**10,525,698**
Total assets	79,716,460	27,690,132	7,731,604	12,375,589	30,310,249	(12,738,729)	145,085,305
Non-current assets *	34,119,648	22,985,033	6,534,187	7,220,979	26,624,561	(7,315,515)	90,168,893
Depreciation and amortisation	2,811,844	1,635,859	884,332	795,545	1,388,305	-	7,515,885
Impairment and other losses	-	-	-	952	1,804	-	2,756
31 December 2021							
Revenue							
External revenue	30,952,478	7,406,369	4,977,103	3,017,830	6,988,466	-	53,342,246
Inter-segment revenue	336,956	495,272	50,065	97,841	103,858	(1,083,992)	-
Total revenue	**31,289,434**	**7,901,641**	**5,027,168**	**3,115,671**	**7,092,324**	**(1,083,992)**	**53,342,246**
Segment result	**12,940,191**	**2,717,186**	**1,201,763**	**22,369**	**1,459,574**		**18,341,083**
Federal royalty							(5,541,606)
Finance and other income							1,289,120
Finance and other costs							(1,284,136)
Profit before tax							**12,804,461**
Taxation							(1,744,972)
Profit for the year							**11,059,489**
Total assets	68,087,168	30,625,852	11,008,944	12,606,834	17,767,603	(11,899,335)	128,197,066
Non-current assets *	31,028,749	27,719,151	9,695,931	8,906,020	14,213,998	(10,488,516)	81,075,333
Depreciation and amortisation	2,941,264	1,872,313	875,318	900,461	1,606,104	-	8,195,460
Impairment and other losses	7,085	-	-	-	141,056	-	148,141

* Non-current assets exclude derivative financial assets and deferred tax assets.

6. Revenue

a) The following is the disaggregation of e&'s revenue

		International				
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000	Consolidated AED'000
31 December 2022						
Mobile	11,405,717	3,201,648	4,018,725	960,194	6,119,670	25,705,954
Fixed	11,269,809	2,465,300	306,874	1,253,288	420,223	15,715,494
Equipment	1,768,354	266,478	68,479	14,584	19,994	2,137,889
Others	7,662,808	237,060	452,764	386,217	136,041	8,874,890
Total revenue	**32,106,688**	**6,170,486**	**4,846,842**	**2,614,283**	**6,695,928**	**52,434,227**
31 December 2021						
Mobile	10,763,672	4,047,492	4,083,560	1,047,410	6,417,308	26,359,442
Fixed	11,151,498	2,784,689	304,013	1,455,764	473,148	16,169,112
Equipment	1,863,104	306,566	91,367	15,752	17,375	2,294,164
Others	7,174,204	267,622	498,163	498,904	80,635	8,519,528
Total revenue	**30,952,478**	**7,406,369**	**4,977,103**	**3,017,830**	**6,988,466**	**53,342,246**

b) Revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date:

31 December 2022	Within one year AED'000	More than one year AED'000	Total AED'000
Expected revenue for remaining performance obligations that will be delivered in subsequent years	8,472,181	2,077,569	10,549,750
31 December 2021			
Expected revenue for remaining performance obligations that will be delivered in subsequent years	8,809,439	1,907,540	10,716,979

c) Timing of revenue recognition

		International				
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000	Consolidated AED'000
31 December 2022						
PO satisfied at the point of time	2,631,143	266,478	69,664	37,980	87,843	3,093,108
PO satisfied over a period of time	29,475,545	5,904,008	4,777,178	2,576,303	6,608,085	49,341,119
Total revenue	**32,106,688**	**6,170,486**	**4,846,842**	**2,614,283**	**6,695,928**	**52,434,227**
31 December 2021						
PO satisfied at the point of time	2,658,434	306,566	97,874	46,021	49,610	3,158,505
PO satisfied over a period of time	28,294,044	7,099,803	4,879,229	2,971,809	6,938,856	50,183,741
Total revenue	**30,952,478**	**7,406,369**	**4,977,103**	**3,017,830**	**6,988,466**	**53,342,246**

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7. Operating expenses and federal royalty

a) Operating expenses

	2022 AED'000	2021 AED'000
Direct cost of sales	13,242,847	12,899,790
Staff costs	4,475,368	4,690,304
Depreciation	5,794,766	6,370,772
Network and other related costs	2,778,014	2,795,408
Amortisation	1,721,119	1,824,688
Regulatory expenses "i)"	1,479,269	1,559,598
Marketing expenses	976,322	1,094,637
Consultancy costs	765,845	695,692
IT costs	414,697	391,696
Foreign exchange losses - net	378,485	333,409
Operating lease rentals	64,137	35,008
Other operating expenses	1,232,183	1,390,272
Operating expenses (before federal royalty)	**33,323,052**	**34,081,274**

Operating expenses include an amount of AED 27.28 million (2021: AED 25.8 million), relating to social contributions made during the year.

i) Regulatory expenses:
Regulatory expenses include ICT Fund contributions required to be paid by the Company to the UAE Telecommunications Regulatory Authority (TRA) at 1% of its net regulated revenues annually.

ICT Fund Contribution	2022 AED'000	2021 AED'000
UAE Net Regulated Revenue	19,814,096	19,108,531
ICT Fund Contribution	198,141	191,085

b) Federal Royalty

In accordance with the Cabinet decision No. 558/1 for the year 1991, the Company was required to pay a federal royalty, equivalent to 40% of its annual net profit before such federal royalty, to the UAE Government for use of federal facilities. With effect from 1 June 1998, Cabinet decision No. 325/28M for 1998, it was increased to 50%.

On 9 December 2012, the Cabinet of Ministers of UAE issued decision no. 320/15/23 of 2012 in respect of a new royalty mechanism applicable to the Company. Under this mechanism a distinction was made between revenue earned from services regulated by Telecommunications Regulatory Authority ("TRA") and non-regulated services as well as between foreign and local profits. The Company was required to pay 15% royalty fee on the UAE regulated revenues and 35% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues. In respect of foreign profit, the 35% royalty was reduced by the amount that the foreign profit has already been subject to foreign taxes.

On 25 February 2015, the MoF issued revised guidelines (which were received by the Company on 1 March 2015) for the computation of federal royalty for the financial years ended 31 December 2014, 2015 and 2016 (the "Guidelines"). In accordance with the Guidelines, the royalty rate for 2016 was reduced to 30% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues.

On 20 February 2017, the MoF announced the federal royalty scheme to be applied on e& for the periods 2017 to 2021 ("the new royalty scheme"). According to the new royalty scheme, e& will pay 15% royalty fees on the UAE regulated revenue and 30% royalty fees on profit generated from regulated services after deduction of the 15% royalty fees on the UAE regulated revenue. Royalty fees on profits from international operations shall be considered only if similar fees paid in the country of origin are less than the fees that could have been imposed in the UAE. Consequent to the issuance of the new royalty scheme, clarifications were obtained and correspondences were exchanged between e& and MoF (the "Correspondence"). The mechanism for the computation of federal royalty payable for the period ended 31 December 2021 was in accordance with the new royalty scheme and the Correspondence.

On 03 January 2022, the MoF issued new guidelines for the computation of federal royalty for the financial years 2022 to 2024 with no changes to the guidelines issued previously in February 2017. Accordingly, there will be no change in the rates for payment of federal royalty by e& in the financial years 2022 to 2024.

The federal royalty has been classified as an operating expense in the consolidated statement of profit or loss on the basis that the expenses the Company would otherwise have had to incur for the use of the federal facilities would have been classified as operating expenses.

8. Finance and other income

	2022 AED'000	2021 AED'000
Interest on bank deposits and amortised cost investments	993,026	522,893
Loss on forward foreign exchange contracts	(43,190)	(24,019)
Net (loss)/gain on financial assets designated as FVTPL	(44,388)	114,506
Dividend income	710,675	27,877
Other income	384,478	647,863
	2,000,601	**1,289,120**

9. Finance and other costs

	2022 AED'000	2021 AED'000
Interest on short term bank borrowings, loans and other financial liabilities	1,387,166	888,499
Interest on other borrowings	266,865	315,795
Foreign exchange loss/(gain) on borrowings - net	350,902	(2,538)
Other costs	631,215	58,317
Unwinding of discount	38,192	24,063
	2,674,340	**1,284,136**
Total borrowing costs	2,687,061	1,293,633
Less: amounts included in the cost of qualifying assets	(12,721)	(9,497)
	2,674,340	**1,284,136**

All interest charges are generated on e&'s financial liabilities measured at amortised cost. Borrowing costs included in the cost of qualifying assets during the year arose on specific and non - specific borrowing pools. Borrowing costs attributable to non - specific borrowing pools are calculated by applying a capitalisation rate of 11.24% (2021: 8.76%) for expenditure on such assets. Borrowing costs have been capitalised in relation to loans by certain of e&'s subsidiaries.

10. Taxation

	2022 AED'000	2021 AED'000
Current tax expense	2,100,586	2,007,113
Deferred tax credit	(348,609)	(262,141)
	1,751,977	**1,744,972**

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10. Taxation (continued)

a) Total tax

Corporate income tax is not levied in the UAE for telecommunication companies. The weighted average tax rate for e&, based on tax rates applicable for international operations is 31.27% (2021: 30.56%). The table below reconciles the difference between the expected tax expense, and e&'s tax charge for the year.

b) The income tax expenses for the year can be reconciled to the accounting profits as follows:

	2022 AED'000	2021 AED'000
Tax based on the applicable weighted average tax rate of 31.27% (2021: 30.56%)	1,190,749	1,630,426
Tax effect of share of results of associates	22,675	14,686
Tax effect of expenses that are not deductible in determining taxable profit	684,434	282,785
Tax effect of utilization of tax losses not previously recognized	22,685	14,243
Effect on deferred tax balances of change in income tax rate	(25,373)	(29,569)
Effect on deferred tax balances due to purchase price allocation	(143,193)	(167,599)
Income tax expenses recognised in profit or losses	**1,751,977**	**1,744,972**

c) Current income tax assets and liabilities

The current income tax assets represent refunds receivable from tax authorities and current income tax liabilities represent income tax payable.

d) Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when these relate to the same income tax authority. The amounts recognised in the consolidated statement of financial position after such offset are as follows:

	2022 AED'000	2021 AED'000
Deferred tax assets	220,111	136,863
Deferred tax liabilities	(1,645,275)	(2,155,977)
	(1,425,164)	**(2,019,114)**

The following represent the major deferred tax liabilities and deferred tax assets recognised by e& and movements thereon without taking into consideration the offsetting of balances within the same tax jurisdiction.

Deferred tax liabilities	Deferred tax on depreciation and amortisation AED'000	Deferred tax on overseas earnings AED'000	Others AED'000	Total AED'000
At 1 January 2021	2,727,807	74,867	30,702	2,833,376
(Credit)/charge to the consolidated statement of profit or loss	(262,599)	9,409	29,107	(224,083)
Charge to other comprehensive income	-	-	(2,984)	(2,984)
Other movements	-	-	(22,439)	(22,439)
Exchange differences	(134,966)	-	(2,158)	(137,124)
At 31 December 2021	**2,330,242**	**84,276**	**32,228**	**2,446,746**
(Credit)/charge to the consolidated statement of profit or loss	(197,421)	13,704	24,128	(159,589)
Credit to other comprehensive income	-	-	(991)	(991)
Other movements	(7,786)	-	43,473	35,687
Exchange differences	(370,484)	-	(16,523)	(387,007)
At 31 December 2022	**1,754,551**	**97,980**	**82,315**	**1,934,846**

Deferred tax assets	Deferred tax on overseas earnings AED'000	Others AED'000	Total AED'000
At 1 January 2021	16,288	451,984	468,272
(Charge)/credit to the consolidated statement of profit or loss	13,739	24,319	38,058
Credit to other comprehensive income	-	1,032	1,032
Other movements	(1,338)	(13,170)	(14,508)
Exchange differences	-	(65,222)	(65,222)
At 31 December 2021	**28,689**	**398,943**	**427,632**
Credit to the consolidated statement of profit or loss	11,337	177,683	189,020
Credit to other comprehensive income	-	2,258	2,258
Other movements	-	(44,940)	(44,940)
Exchange differences	4,677	(68,965)	(64,288)
At 31 December 2022	**44,703**	**464,979**	**509,682**

Unused tax losses	2022 AED million	2021 AED million
Total unused tax losses	191	29
of which deferred tax assets recognised for	191	29

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11. Goodwill and other intangible assets

	Goodwill AED'000	Licenses AED'000	Trade Names AED'000	Others AED'000	Total AED'000
Cost					
At 1 January 2021	16,771,776	17,861,196	2,094,627	9,221,996	45,949,595
Additions	-	130,609	-	1,787,489	1,918,098
Transfer from property, plant and equipment	-	-	-	596,810	596,810
Capitalized during the year	-	1,642,532	-	(1,642,532)	-
Acquisition of subsidiary	140,428	-	-	-	140,428
Disposals	-	(12,351)	-	(18,256)	(30,607)
Exchange differences	(599,590)	(693,724)	48,524	(655,904)	(1,900,694)
At 31 December 2021	**16,312,614**	**18,928,262**	**2,143,151**	**9,289,603**	**46,673,630**
Amortisation and impairment					
At 1 January 2021	4,929,500	7,947,704	673,120	6,122,829	19,673,153
Charge for the year	-	836,808	81,784	935,678	1,854,270
Impairment losses	34,648	17,722	-	27,455	79,825
Disposals	-	(12,351)	-	(15,924)	(28,275)
Exchange differences	(3,202)	(297,196)	(812)	(434,174)	(735,384)
At 31 December 2021	**4,960,946**	**8,492,687**	**754,092**	**6,635,864**	**20,843,589**
Carrying amount					
At 31 December 2021	**11,351,668**	**10,435,575**	**1,389,059**	**2,653,739**	**25,830,041**
Cost					
At 1 January 2022	16,312,614	18,928,262	2,143,151	9,289,603	46,673,630
Additions	-	346,023	-	943,854	1,289,877
Capitalized during the year	-	189,912	-	(189,912)	-
Acquisition of subsidiary (Note 41)	493,065	-	1,370	648,447	1,142,882
Transfer	(15,052)		15,052		-
Disposals	-	(2,819)	-	(32,160)	(34,979)
Exchange differences	(1,125,544)	(3,879,941)	(256,312)	(1,135,478)	(6,397,275)
At 31 December 2022	**15,665,083**	**15,581,437**	**1,903,261**	**9,524,354**	**42,674,135**
Amortisation and impairment					
At 1 January 2022	4,960,946	8,492,687	754,092	6,635,864	20,843,589
Charge for the year	-	834,888	80,925	931,580	1,847,393
Acquisition of subsidiary (Note 41)	-	-	-	238,545	238,545
Disposals	-	(2,819)	-	(31,263)	(34,082)
Exchange differences	(18,408)	(1,669,196)	(812)	(872,126)	(2,560,542)
At 31 December 2022	**4,942,538**	**7,655,560**	**834,205**	**6,902,600**	**20,334,903**
Carrying amount					
At 31 December 2022	**10,722,545**	**7,925,877**	**1,069,056**	**2,621,754**	**22,339,232**

Others - net book values	2022 AED'000	2021 AED'000
Indefeasible rights of use	189,759	334,121
Computer software	1,156,616	1,286,023
Customer relationships	44,212	54,919
Others*	1,231,167	978,676
	2,621,754	**2,653,739**

* Included in others is an amount of AED nil (2021: AED 299 million) advance payment made by Etisalat Misr for the acquisition of a new spectrum with 20MHz bandwidth. Given that the contractual agreement with the authorities has not yet been signed, the remaining payment has been recorded as capital commitments.

12. Impairment loss on other assets

a) Impairment

The impairment losses recognised in the consolidated statement of profit or loss in respect of the carrying amounts of investments, goodwill, licenses and property, plant and equipment are as follows:

	2022 AED'000	2021 AED'000
Etisalat UAE	**-**	**7,085**
of which relating to property, plant and equipment (Note 13)	-	7,085
Maroc Telecom international subsidiaries	**-**	**34,648**
of which relating to goodwill (Note 11)	-	34,648
Others	**2,756**	**106,408**
of which relating to intangible assets (Note 11)	-	45,177
of which relating to property, plant and equipment (Note 13)	952	61,231
of which relating to other assets	1,804	-
Total impairment losses for the year	**2,756**	**148,141**

b) Cash generating units

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. e& tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The carrying amount of goodwill (all relating to operations within e&'s International reportable segment) is allocated to the following CGUs:

Cash generating units (CGU) to which goodwill is allocated:	2022 AED'000	2021 AED'000
Maroc Telecom	8,074,404	8,929,537
Maroc Telecom international subsidiaries	1,945,635	2,193,263
Help AG group	76,469	76,469
Etisalat Misr (Etisalat) S.A.E.	7,596	11,971
Digital Financial Services LLC (see Note 41)	125,376	140,428
elGrocer DMCC (see Note 41)	32,334	-
Playco Holdings Limited (see Note 41)	460,731	-
	10,722,545	**11,351,668**

Goodwill has been allocated to the separately identifiable CGUs.

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12. Impairment loss on other assets (continued)

c) Key assumptions for the value in use calculations:

The recoverable amounts of all the CGUs containing goodwill are based on their value in use. The key assumptions for the value in use calculations are those regarding the long term forecast cash flows, working capital estimates, discount rates and capital expenditure.

Long term cash flows and working capital estimates

e& prepares cash flow forecasts and working capital estimates derived from the most recent annual business plan approved by the Board of Directors for the next five years. The business plans take into account local market considerations such as the revenues and costs associated with future customer growth, the impact of local market competition and consideration of the local macro-economic and political trading environment. This rate does not exceed the average long-term growth rate for the relevant markets and it ranges between 3.6% to 6.5% (2021: 3.3% to 5.2%).

Discount rates

The discount rates applied to the cash flows of each of e&'s operations are based on an internal study conducted by the management. The study utilised market data and information from comparable listed mobile telecommunications companies and where available and appropriate, across a specific territory. The pre-tax discount rates use a forward looking equity market risk premium and ranges between 7.80% to 22.87% (2021: 10.19% to 16.27%).

Capital expenditure

The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing voice and data products and services, and meeting the population coverage requirements of certain licenses of e&. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets.

Sensitivity analysis

The estimated recoverable amount of the Maroc Telecom and Maroc Telecom International Subsidiaries CGUs exceeded their carrying values. Management has identified that a reasonably possible change in two key assumptions [1.7% increase in discount rates and 2.75% decrease in long term terminal growth rates (2021: 3.4% increase in discount rates and 3% decrease in long term terminal growth rates)] could cause the carrying amounts to exceed the recoverable amounts.

13. Property, plant and equipment

	Land and buildings AED'000	Plant and equipment AED'000	Motor vehicles, computer, furniture AED'000	Assets under construction AED'000	Total AED'000
Cost					
At 1 January 2021	10,014,152	79,726,888	6,953,221	5,488,171	102,182,432
Additions	121,406	1,545,216	190,816	4,588,774	6,446,212
Transfer to intangible assets (Note 11)	-	-	(547,393)	(49,417)	(596,810)
Reclassified as held for sale (Note 42)	(16,056)	(432,220)	(16,213)	(226,632)	(691,121)
Transfers	308,347	3,630,973	993,383	(4,932,703)	-
Disposals	(4,278)	(836,065)	(593,861)	(9,686)	(1,443,890)
Acquisition of subsidiary (Note 41)	-	-	10,124	-	10,124
Exchange differences	(546,533)	(3,930,317)	(191,183)	(39,878)	(4,707,911)
At 31 December 2021	**9,877,038**	**79,704,475**	**6,798,894**	**4,818,629**	**101,199,036**
Depreciation and impairment					
At 1 January 2021	3,422,120	47,541,697	5,233,138	182,041	56,378,996
Charge for the year	228,166	5,019,102	544,748	-	5,792,016
Impairment charge	-	57,656	2,016	8,644	68,316
Disposals	(3,172)	(818,905)	(578,986)	-	(1,401,063)
Other movement	1,051	133	(1,958)	-	(774)
Exchange differences	(152,633)	(2,996,448)	(168,287)	6	(3,317,362)
Reclassified as held for sale (Note 42)	(4,287)	(30,293)	(1,601)	-	(36,181)
At 31 December 2021	**3,491,245**	**48,772,942**	**5,029,070**	**190,691**	**57,483,948**
Carrying amount at 31 December 2021	**6,385,793**	**30,931,533**	**1,769,824**	**4,627,938**	**43,715,088**
Cost					
At 1 January 2022	9,877,038	79,704,475	6,798,894	4,818,629	101,199,036
Additions	91,404	2,084,519	(145,643)	4,717,143	6,747,423
Transfers	64,222	3,281,536	687,804	(4,036,573)	(3,011)
Disposals	(1,052,513)	(547,984)	(255,787)	(7,085)	(1,863,369)
Acquisition of subsidiary (Note 41)	-	1,101	9,164	-	10,265
Exchange differences	(1,229,029)	(8,969,131)	(740,180)	(348,544)	(11,286,884)
At 31 December 2022	**7,751,122**	**75,554,516**	**6,354,252**	**5,143,570**	**94,803,460**
Depreciation and impairment					
At 1 January 2022	3,491,245	48,772,942	5,029,070	190,691	57,483,948
Charge for the year	207,122	4,556,500	467,559	-	5,231,181
Impairment charge	-	952	-	-	952
Disposals	(226,565)	(517,591)	(252,124)	(7,085)	(1,003,365)
Acquisition of subsidiary (Note 41)	-	1,015	6,836	-	7,851
Exchange differences	(327,229)	(5,880,633)	(632,673)	(1,871)	(6,842,406)
At 31 December 2022	**3,144,573**	**46,933,185**	**4,618,668**	**181,735**	**54,878,161**
Carrying amount at 31 December 2022	**4,606,549**	**28,621,331**	**1,735,584**	**4,961,835**	**39,925,299**

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13. Property, plant and equipment (continued)

The carrying amount of e&'s land and buildings includes a nominal amount of AED 1 (2021: AED 1) in relation to land granted to e& by the Federal Government of the UAE. There are no contingencies attached to this grant and as such no additional amounts have been included in the consolidated statement of profit or loss or the consolidated statement of financial position in relation to this.

An amount of AED 12.7 million (2021: AED 9.5 million) is included in property, plant and equipment on account of capitalisation of borrowing costs for the year.

Borrowings are secured against property, plant and equipment with a net book value of AED 3,269 million (2021: AED 3,706 million).

Assets under construction include buildings, multiplex equipment, line plant, exchange and network equipment.

14. Right-of-use assets

	Land and buildings AED'000	Plant and equipment AED'000	Motor vehicles, computer, furniture AED'000	Total AED'000
Balance at 1 January 2021	1,450,271	1,104,683	145,148	2,700,102
Additions for the year	311,143	162,313	30,436	503,892
Disposals for the year	(89,203)	(13,369)	(9,072)	(111,644)
Depreciation for the year	(345,359)	(185,028)	(48,369)	(578,756)
Exchange differences	(65,583)	(5,867)	(5,223)	(76,673)
Balance at 31 December 2021 / 1 January 2022	**1,261,269**	**1,062,732**	**112,920**	**2,436,921**
Additions for the year	1,216,353	500,665	53,858	1,770,876
Disposals for the year	(1,188,277)	(199,000)	(5,095)	(1,392,372)
Depreciation for the year	(318,962)	(192,281)	(52,342)	(563,585)
Exchange differences	(118,272)	(329,520)	(25,087)	(472,879)
Acquisition of a subsidiary (Note 41)	2,599	-	-	2,599
Balance at 31 December 2022	**854,710**	**842,596**	**84,254**	**1,781,560**

15. Subsidiaries

a) e&'s principal subsidiaries are as follows:

Name	Country of incorporation	Principal activity	Percentage shareholding 2022	2021
Emirates Cable TV and Multimedia LLC	UAE	Cable television services	100%	100%
Etisalat International Pakistan LLC	UAE	Holds investment in Pakistan Telecommunication Co. Ltd	90%	90%
E-Marine PJSC	UAE	Submarine cable activities	100%	100%
Etisalat Services Holding LLC	UAE	Infrastructure services	100%	100%
Etisalat Technology Services LLC	UAE	Technology solutions	100%	100%
Etisalat Afghanistan	Afghanistan	Telecommunications services	100%	100%
Etisalat Misr S.A.E.	Egypt	Telecommunications services	66.4%	66.4%
Atlantique Telecom S.A.	Ivory Coast	Telecommunications services	100%	100%
Pakistan Telecommunication Company Limited	Pakistan	Telecommunications services	23% *	23% *
Etisalat Investment North Africa LLC	UAE	Holds investment in Société de Participation dans les Télécommunications (SPT)	100%	100%*
Société de Participation dans les Télécommunications (SPT)	Kingdom of Morocco	Holds investment in Maroc Telecom Holds investment in Maroc Telecom	100%	100%*
Etisalat Al Maghrib S.A (Maroc Telecom)	Kingdom of Morocco	Telecommunications services	53%	53% *
Etisalat Mauritius Private Limited	Mauritius	Holds investment in Etisalat DB Telecom Private Limited Holds investment in Etisalat DB Telecom Private Limited	100%	100%
Ubiquitous Telecommunications Technology LLC	UAE	Installation and management of network systems	85%	85%
Help AG Abu Dhabi	UAE	Digital services	100%	100%
Help AG KSA	Kingdom of Saudi Arabia	Digital services	100%	100%
Etisalat Digital KSA	Kingdom of Saudi Arabia	Digital services	100%	100%
Solid FZCO	UAE	Mobile Phones and accessories trading	100%	100%
UTC Information Technology Network Services Co. LLC	UAE	Blockchain Enabled Financial Services	100%	100%
Digital Financial Services LLC (Note 41)	UAE	Mobile Financial Services	100%	100%**
elGrocer DMCC (Note 41)	UAE	Online marketplace for groceries	100%***	-
Smart Technology Services DWC LLC "Smart World" (Note 41)	UAE	Installation and management of network systems	100%****	50%****
Playco Holding Limited "Starzplay" (Note 41)	Cayman Island	Subscription Video on Demand ("SVOD") and IPTV service	38%*****	-

*e& has voting rights of 53% in Maroc Telecom and 58% in Pakistan Telecommunication Company Limited, including the appointment of a majority of the Board of Directors and key management personnel.

On 28 October 2021 , e& has successfully completed the acquisition of Abu Dhabi Fund For Development's stake in Etisalat Investment North Africa LLC (EINA) of 8.7%, increasing e&s' ownership in EINA to 100%. EINA holds investment in Société de Participation dans les Télécommunications (SPT) that holds investment in Maroc Telecom Group. This acquisition ultimately increased e&'s effective ownership in Maroc Telecom Group from 48.4% to 53.0%.

The final consideration paid amounted to AED 1.86 billion which was financed by bank borrowings. The financial impact of the transaction has been reflected in the consolidated financial statements of e& effective from 28 October 2021.

Emirates Telecommunications Group Company PJSC

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15. Subsidiaries (continued)

**On 9 December 2021 (the effective date), e& has successfully completed the acquisition of Dubai Islamic Bank's stake in Digital Financial Services LLC (DFS) of 50.01%, increasing e&s' ownership in DFS to 100% from 49.99%. DFS has been fully consolidated in these consolidated financial statements from the effective date and equity method has been discontinued for previously held 49.99% interest in DFS from the same date. (Refer to Note 41)

***On 28 January 2022, e& has completed the acquisition of 100% shareholding in elGrocer DMCC after satisfying all conditions precedent and completion deliverables pursuant to an agreement signed with elGrocer DMCC against a consideration not exceeding AED 38 million. (Refer to Note 41)

****On 20 May 2022, Etisalat Group completed the acquisition of the remaining 50% shareholding in Smart World for an amount of AED 30 million. (Refer to Note 41)

***** On 17 October 2022, the consortium comprising Emirates Cable TV and Multimedia (E-Vision), subsidiary of e&, and ADQ, an Abu Dhabi-based investment and holding company, has successfully completed the acquisition of circa 57% of Playco Holding Limited "Starzplay", a leading Subscription Video on Demand (SVOD) and streaming service provider in the Middle East and North Africa (MENA).

On 8 December 2022, e& signed a binding agreement with Bespin Global, a South Korean-based multi-cloud solution provider, to form a new entity with the name of Bespin Global MEA, offering public cloud managed and professional services. The new entity will be 65% owned by e& enterprise and 35% by Bespin Global. The closing of the transaction is subject to customary closing conditions.

In addition, e& will further invest around USD 60 million in Bespin Global for approximate 10% shareholding.

b) Disclosures relating to subsidiaries

Information relating to subsidiaries that have non-controlling interests that are material to e& are provided below:

AED'000	Maroc Telecom consolidated 2022	PTCL consolidated 2022	Etisalat Misr consolidated 2022
Information relating to non-controlling interests:			
Non-controlling interest (shareholding %)	47.0%	76.6%	33.6%
Revenue	5,775,804	2,088,627	1,646,313
Profit/(loss) for the year	633,061	(223,846)	145,704
Other comprehensive loss for the year	(346,023)	(714,764)	(751,044)
Total comprehensive income / (loss) for the year	**287,038**	**(938,610)**	**(605,340)**
Cash flows from operating activities	2,719,410	786,089	816,975
Cash flows from investing activities	(1,445,768)	(2,365,235)	(390,159)
Cash flows from financing activities	(1,181,500)	1,020,634	(299,102)
Dividends paid to non-controlling interests	(1,054,132)	-	(113,514)
Non-controlling interests as at 31 December	4,094,836	2,108,719	1,254,323
Summarised information relating to subsidiaries:			
Current assets	5,531,918	5,026,908	1,159,854
Non-current assets	29,513,804	7,351,365	6,571,750
Current liabilities	14,800,011	6,704,519	2,569,938
Non-current liabilities	3,260,616	4,028,187	1,341,586

AED'000	Maroc Telecom consolidated 2021	PTCL consolidated 2021	Etisalat Misr consolidated 2021
Information relating to non-controlling interests:			
Non-controlling interest (shareholding %)	47.0%	76.6%	33.6%
Revenue	6,543,473	2,386,604	1,689,129
Profit for the year	1,414,784	86,241	241,753
Other comprehensive income / (loss) for the year	(341,247)	(354,705)	2,323
Total comprehensive income / (loss) for the year	**1,073,537**	**(268,464)**	**244,076**
Cash flows from operating activities	2,428,556	1,268,620	679,153
Cash flows from investing activities	(1,483,154)	(1,344,600)	(446,850)
Cash flows from financing activities	(2,009,536)	363,188	(219,028)
Dividends paid to non-controlling interests	(1,129,414)	-	(106,843)
Non-controlling interests as at 31 December	4,950,355	3,048,911	1,955,211
Summarised information relating to subsidiaries:			
Current assets	6,052,306	3,701,114	1,307,841
Non-current assets	32,427,665	8,908,390	9,701,103
Current liabilities	15,081,224	5,399,571	3,140,965
Non-current liabilities	3,608,913	4,338,359	1,927,521

c) Movement in non-controlling interests

The movement in non-controlling interests is provided below:

	2022 AED'000	2021 AED'000
As at 1 January	9,977,786	11,516,082
Total comprehensive income:		
Profit for the year	518,337	1,742,444
Remeasurement of defined benefit obligations - net of tax	(942)	(26,637)
Exchange differences on translation of foreign operations	(1,815,069)	(659,283)
Loss on revaluation of investment classified as fair value through OCI	3,873	-
Fair value loss arising on cash flow hedges	14,388	(1,336)
Other movement in equity	(12,321)	(960)
Transaction with owners of the Company:		
Acquisition of a subsidiary	218,232	-
Repayment of advances to non-controlling interests	-	(67,274)
Acquisition of additional stake in a subsidiary	-	(1,286,423)
Dividends	(1,169,040)	(1,238,827)
As at 31 December	**7,735,244**	**9,977,786**

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15. Subsidiaries (continued)

d) Acquisition of non-controlling interests without a change in control

In October 2021, e& acquired an additional stake of 8.67% in EINA, increasing its ownership from 91.33% to 100%. The carrying amount of 8.67% NCI in e&'s consolidated financial statements on the date of acquisition was AED 1,286 million.

	2021 AED'000
Carrying amount of NCI acquired	1,286,423
Consideration paid to NCI	(1,862,970)
Decrease in equity attributable to owners of the Company	**(576,547)**
The decrease in equity attributable to owners of the Company comprised:	
Decrease in retained earnings	(378,275)
Decrease in translation reserve	(198,272)
Total decrease in equity attributable to owners	**(576,547)**

16. Share of results of associates and joint ventures

	2022 AED'000	2021 AED'000
Associates (Note 17 b)	413,565	292,174
Joint ventures (Note 17 g)	3,793	5,288
Total	**417,358**	**297,462**

17. Investment in associates and joint ventures

	2022 AED'000	2021 AED'000
Associates (Note 17 b)	8,259,307	4,405,649
Joint ventures (Note 17 g)	6,794	46,760
Total	**8,266,101**	**4,452,409**

a) Associates

Name	Country of incorporation	Principal activity	Percentage shareholding 2022	Percentage shareholding 2021
Etihad Etisalat Company ("Mobily")	Saudi Arabia	Telecommunications services	28%	28%
Hutch Telecommunications Lanka (Private) Limited ("Hutch") (i)	Sri Lanka	Telecommunications services	15%	15%
Wio Bank (ii)	UAE	Digital banking platform	25%	-
Khazna Data Centre Holdings ("KDCHL") (iii)	UAE	Data Center Management	40%	-

i) The 15 % stake in Hutch has been classified as investment in associate on account of the significant influence e& has over the financial and operational decisions through voting rights in Board meetings of Hutch.

(ii) On 11 February 2022, e& signed an agreement with ADQ, Alpha Dhabi Holding and First Abu Dhabi Bank (FAB) to launch a new digital banking platform, "Wio". Etisalat Group has contributed AED 639 million for exchange of a stake of 25%.

(iii) On 20 October 2021, e& signed a binding agreement with Group42 (G42) to combine their data centers businesses in the United Arab Emirates through creation of a new entity (JVCo) in which e& owns 40% of shareholding while G42 owns the remaining 60% (the transaction). The transaction was completed on 29 April 2022 and e& accounted for the investment in JVCo as an associate for an amount of AED 2,938 million.

b) Movement in investments in associates

	Mobily 2022 AED'000	Mobily 2021 AED'000	All Associates 2022 AED'000	All Associates 2021 AED'000
Carrying amount at 1 January	4,405,649	4,202,887	4,405,649	4,204,637
Share of results (Note 16)	453,492	293,720	413,565	292,174
Additions during the year	-	-	3,576,889	-
Exchange differences	(3,855)	(3,085)	(3,855)	(3,085)
Dividends received	(179,415)	(105,535)	(179,415)	(105,535)
Share of other comprehensive income / (loss) – net of tax	43,749	17,662	46,474	17,662
Other movements	-	-	-	(204)
Carrying amount at 31 December	**4,719,620**	**4,405,649**	**8,259,307**	**4,405,649**

c) Reconciliation of the above summarised financial information to the net assets of the associates

	Mobily 2022 AED'000	Mobily 2021 AED'000	All Associates 2022 AED'000	All Associates 2021 AED'000
Net assets	15,986,362	14,864,756	22,488,431	14,864,756
Group share in net assets of associates	4,475,062	4,161,091	6,799,005	4,161,091
Purchase price allocation adjustments	-	-	1,151,854	-
Others *	244,558	244,558	308,447	244,558
	4,719,620	**4,405,649**	**8,259,307**	**4,405,649**

* Others include an amount of AED 150 million (2021: AED 150 million) relating to premium paid on rights issue in prior years.

d) Aggregated amounts relating to associates

	Mobily 2022 AED'000	Mobily 2021 AED'000	All Associates 2022 AED'000	All Associates 2021 AED'000
Current assets	9,495,288	8,091,984	11,352,359	8,091,984
Non-current assets	29,369,079	30,413,240	39,004,895	30,413,240
Current liabilities	(11,390,344)	(11,052,719)	(14,004,810)	(11,052,719)
Non-current liabilities	(11,487,661)	(12,587,749)	(13,864,013)	(12,587,749)
Net assets	**15,986,362**	**14,864,756**	**22,488,431**	**14,864,756**
Revenue	15,319,769	14,515,878	15,961,025	14,515,878
Profit	1,620,019	1,048,557	1,349,913	1,048,557
Total comprehensive income	1,776,306	1,111,652	1,513,010	1,111,652

The share of results and carrying amounts of assets and liabilities of Mobily have been adjusted to comply with e& accounting policies.

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17. Investment in associates and joint ventures (continued)

e) Market value of an associate

The shares of one of e&'s associates are quoted on public stock markets and it is classified as "Level-1" fair value. The market value of e&'s shareholding based on the quoted prices is as follows:

	2022 AED'000	2021 AED'000
Etihad Etisalat Company ("Mobily")	7,319,881	6,567,854

f) Joint ventures

			Percentage shareholding	
Name	Country of incorporation	Principal activity	2022	2021
Smart Technology Services DWC – LLC (i)	UAE	ICT Services	100%	50%
Emirates Facilities Management LLC	UAE	Facilities management	50%	50%

i) On 20 May 2022, e& has successfully completed the acquisition of an additional 50% stake in Smart Technology Services DWC LLC, increasing e&'s ownership to 100% from 50%. Smart Technology Services DWC LLC has been fully consolidated in e&'s consolidated financial statements since the effective date and equity method has been discontinued for the 50% previously held interest.

g) Movement in investment in joint ventures

	2022 AED'000	2021 AED'000
Carrying amount at 1 January	46,760	45,371
Share of results	3,793	5,288
Derecognition of Smart Technology Services DWC LLC	(36,246)	-
Dividends	(7,513)	(3,899)
Carrying amount at 31 December	**6,794**	**46,760**

h) Aggregated amounts relating to joint ventures

	2022 AED'000	2021 AED'000
Current assets (including cash and cash equivalents AED 18,446 thousand (2021: AED 24,479 thousand)	66,904	191,533
Non-current assets	2,317	6,100
Current liabilities (including trade and other payables and provisiotns of AED 50,284 thousand (2021: AED 85,022 thousand)	(50,774)	(92,537)
Non-current liabilities (including trade and other payables and provisions of AED 4,467 thousand (2021: AED 9,532 thousand)	(4,467)	(11,250)
Net assets	**13,980**	**93,846**
Revenue	181,033	265,184
Depreciation and amortisation	855	1,881
Interest expenses	60	150
Profit or loss	7,669	10,099

e& has not identified any contingent liabilities or capital commitments in relation to its interest in joint ventures.

18. Other investments

	Fair value through profit and loss - Mandatory AED'000	Fair value through profit and loss - designated upon initial recognition AED'000	Fair value through other comprehensive income AED'000	Amortised cost AED'000	Total AED'000
At 1 January 2021	1,821,472	385,757	193,900	1,834,206	4,235,335
Additions	769,720	-	12,756	1,231,372	2,013,848
Disposals	(2,122,619)	-	-	(185,213)	(2,307,832)
Fair value changes	133,570	(10,697)	(7,431)	-	115,442
Exchange differences	(13,315)	7,949	(1,811)	(18,214)	(25,391)
At 31 December 2021	**588,828**	**383,009**	**197,414**	**2,862,151**	**4,031,402**
of which current	293,712	-	-	140,480	434,192
of which non-current	295,116	383,009	197,414	2,721,671	3,597,210
At 1 January 2022	588,828	383,009	197,414	2,862,151	4,031,402
Additions	1,549,577	-	18,688,232	575,536	20,813,345
Disposals	(366,997)	-	(182,840)	(349,367)	(899,204)
Fair value changes	(13,971)	(30,417)	(5,724,804)	-	(5,769,192)
Exchange differences	(14,833)	(8,178)	(11,625)	(19,068)	(53,704)
At 31 December 2022	**1,742,604**	**344,414**	**12,966,377**	**3,069,252**	**18,122,647**
of which current	1,625,854	-	582,435	198,854	2,407,143
of which non-current	116,750	344,414	12,383,942	2,870,398	15,715,504

The financial assets at amortised cost includes investments in Sukuks and other bonds. These bonds will mature in two to six years. At 31 December 2022, the market value of the investment in these bonds was AED 2,116 million (2021: AED 2,496 million).

In prior year, the financial assets at amortised cost and those classified as fair value through profit or loss include bonds worth AED 1,065 million and AED 141 million, respectively, which were temporarily lent to various financial institutions under securities lending arrangements.

19. Related party transactions and balances

Transactions and balances between the Company and its subsidiaries and between those subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions and balances between e& and other related parties are disclosed below.

a) Federal Government and state controlled entities

As stated in Note 1, in accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Company to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government. e& provides telecommunication services to the Federal Government (including Ministries and local bodies). These transactions are at agreed commercial terms. The credit period allowed to Government customers ranges from 90 to 120 days. Trade receivables include an amount of AED 1,322 million (2021: AED 1,586 million), which are net of allowance for doubtful debts of AED 351 million (2021: AED 424 million), receivable from Federal Ministries and local bodies. See Note 7 for disclosure of the royalty payable to the Federal Government of the UAE.

In accordance with IAS 24 "Related Party Disclosures" , e& has elected to disclose qualitatively the transactions and balances with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence. The nature of the transactions and balances that e& has with such related parties is the provision of telecommunication services and procurement of services.

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19. Related party transactions and balances (continued)

b) Joint ventures and associates

	Associates		Joint Venture	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Trading transactions				
Telecommunication services – sales	310,094	300,342	-	-
Telecommunication services – purchases	134,931	19,892	15,768	29,753
Management and other services	30,592	115,826	3,766	7,342
Due from related parties as at 31 December	**86,852**	**59,934**	**25,467**	**22,092**
Due to related parties as at 31 December	**-**	**-**	**-**	**4,733**

Sales to related parties comprise the provision of telecommunication products and services primarily voice traffic and leased circuits) by e& based on agreed commercial terms. Purchases relate exclusively to the provision of telecommunication products and services by associates to e& based on agreed commercial terms. The amount due from related parties are unsecured and will be settled in cash.
The principal management and other services provided to e&'s associates are set out below based on agreed contractual terms and conditions.

i. Etihad Etisalat Company ("Mobily")

"Pursuant to the Communications and Information Technology Commission's (CITC) licensing requirements, Mobily entered into a management agreement ("the Agreement") with the Company as its operator from 23 December 2004. Amounts invoiced by the Company relate to annual management fees, fees for staff secondments and other services provided under the Agreement. The term of the Agreement was for a period of seven years and could be automatically renewed for successive periods of five years unless the Company served a 12 month notice of termination or Mobily served a 6 month notice of termination prior to the expiry of the applicable period.

The Technical Services and Support Agreement (TSSA) between e& and Mobily expired on 31 December 2021.

c) Remuneration of key management personnel

The remuneration of the Board of Directors and other members of key management personnel of the Company, is set out below.

	2022 AED'000	2021 AED'000
Long- term benefits	1,109	1,024
Short-term benefits	63,608	46,512

20. Inventories

	2022 AED'000	2021 AED'000
Subscriber equipment	529,307	474,321
Maintenance and consumables	601,057	438,178
Obsolescence allowances	(157,489)	(163,713)
Inventories	**972,875**	**748,786**

Movement in obsolescence allowances

	2022 AED'000	2021 AED'000
At 1 January	163,713	193,543
Net decrease in obsolescence allowances	468	(29,849)
Exchange differences	(6,692)	19
At 31 December	**157,489**	**163,713**
Inventories recognised as an operating expense within direct cost of sales during the year	3,185,802	3,393,914

21. Trade and other receivables

	2022 AED'000	2021 AED'000
Amount receivable for services rendered	10,165,615	10,878,178
Amounts due from other telecommunication operators/carriers	3,116,546	2,561,479
Total gross carrying amount	**13,282,161**	**13,439,657**
Lifetime expected credit loss	(3,153,474)	(3,373,088)
Net trade receivables	**10,128,687**	**10,066,569**
Prepayments	705,846	627,835
Accrued income	738,443	835,020
Advances to suppliers	1,168,158	949,028
Indirect taxes receivable	468,350	501,341
Dividend receivable	499,197	-
Other receivables	2,385,335	1,768,492
At 31 December	**16,094,016**	**14,748,285**
Total trade and other receivables	**16,094,016**	**14,748,285**
of which current trade and other receivables	15,647,768	14,288,386
of which non-current other receivables	446,248	459,899

e&'s normal credit terms ranges between 30 and 120 days (2021: 30 and 120 days).

e& recognises lifetime expected credit loss (ECL) for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on e&'s historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

e& writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

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21. Trade and other receivables (continued)

Trade receivable - as on 31 December 2022	Upto 60 days AED'000	61-90 days AED'000	91-365 days AED'000	Over one year AED'000	Total AED'000
Expected credit loss rate	0%-38%	0% - 60%	0% - 100%	8%-100%	
Gross carrying amount	4,462,995	791,866	1,792,097	6,235,203	13,282,161
Lifetime expected credit loss	(324,906)	(82,317)	(459,912)	(2,286,339)	(3,153,474)
Net trade receivables	**4,138,089**	**709,549**	**1,332,185**	**3,948,864**	**10,128,687**

Trade receivable - as on 31 December 2021	Upto 60 days AED'000	61-90 days AED'000	91-365 days AED'000	Over one year AED'000	Total AED'000
Expected credit loss rate	0% to 38%	0% to 45%	0% to 60%	9% to 100%	
Gross carrying amount	4,303,136	473,452	2,137,915	6,525,154	13,439,657
Lifetime expected credit loss	(392,037)	(55,885)	(513,858)	(2,411,308)	(3,373,088)
Net trade receivables	**3,911,099**	**417,567**	**1,624,057**	**4,113,846**	**10,066,569**

Movement in lifetime Expected Credit Losses:

	2022 AED'000	2021 AED'000
At 1 January	3,373,088	3,209,253
Net (decrease)/increase in allowance for doubtful debts, net of write offs	(52,981)	221,420
Acquisition of subsidiary	14,458	-
Exchange differences	(181,091)	(57,585)
At 31 December	**3,153,474**	**3,373,088**

No interest is charged on the trade receivable balances. With respect to the amounts receivable from the services rendered, the Group holds AED 226 million (2021: AED 209 million) of collateral in the form of cash deposits from customers. Collateral with fair value of AED 544 million (2021: AED 464 million) are held against loans to customers.

22. Contract assets

	2022 AED'000	2021 AED'000
Cost to acquire	428,880	410,277
Cost to fulfill	232,819	246,291
Unbilled revenue	1,719,987	1,193,363
	2,381,686	**1,849,931**
of which current contract assets	1,824,918	1,389,614
of which non-current contract assets	556,768	460,317
	2,381,686	**1,849,931**

23. Finance lease receivables

	2022 AED'000	2021 AED'000
Current finance lease receivables	195,533	25,505
Non-current finance lease receivables	1,138,181	123,448
	1,333,714	**148,953**

23.1 Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Amounts receivable under finance lease				
Within one year	254,288	47,302	206,772	34,937
Between 2 and 5 years	625,879	189,206	494,624	164,812
After 5 years	782,939	-	700,476	-
	1,663,106	**236,508**	**1,401,872**	**199,749**
Less: future finance income	(261,234)	(36,759)	-	-
	1,401,872	**199,749**	**1,401,872**	**199,749**
Allowances for uncollectible lease payments	(68,158)	(50,796)	(68,158)	(50,796)
	1,333,714	**148,953**	**1,333,714**	**148,953**

e& recognizes lifetime expected credit loss (ECL) for finance lease receivables using the simplified approach. The expected credit losses on these financial assets are estimated using external credit data which incorporating general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately is from 4.0% to 6.5% per annum (2021: 6.5% per annum).

24. Cash and cash equivalents

	2022 AED'000	2021 AED'000
Maintained in UAE	25,508,121	23,544,580
Maintained overseas, unrestricted in use	7,117,467	4,958,828
Maintained overseas, restricted in use	213,894	71,964
Cash and bank balances	**32,839,482**	**28,575,372**
Less: Deposits with maturities exceeding three months from the date of deposit	(29,637,287)	(8,663,852)
Cash and cash equivalents	**3,202,195**	**19,911,520**

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25. Trade and other payables

	2022 AED'000	2021 AED'000
Current		
Federal royalty	5,770,780	5,541,492
Trade payables	6,532,655	6,036,526
Amounts due to other telecommunication administrators	3,487,196	3,045,623
Accruals	8,645,615	8,110,678
Other taxes payable	1,715,682	1,876,610
Advances from customers	354,993	355,462
Deferred income	189,218	304,418
Funds payable and amounts due to customers	2,108,522	1,694,989
Other payables	1,779,294	1,736,106
At 31 December	**30,583,955**	**28,701,904**
Non-current		
Other payables and accruals	1,247,240	1,365,500
At 31 December	**1,247,240**	**1,365,500**

Federal royalty for the year ended 31 December 2022 is to be paid as soon as the consolidated financial statements have been approved but not later than 4 months from the year ended 31 December 2022.

26. Contract liabilities

	2022 AED'000	2021 AED'000
Current		
Deferred revenues	2,788,395	2,894,341
Material right / customer loyalty	203,326	122,415
	2,991,721	**3,016,756**
Non-current		
Deferred revenues	97,855	42,426
	97,855	**42,426**

27. Borrowings

Details of e&'s bank and other borrowings are as follows:

	Fair Value		Carrying Value	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Bank borrowings				
Short term bank borrowings	4,973,756	4,703,535	5,307,357	4,703,535
Bank loans	28,218,229	8,254,816	31,341,724	9,258,377
Other borrowings				
Bonds	9,498,213	11,706,741	10,374,199	10,898,562
Vendor financing	224,553	248,785	297,414	323,994
Others	71,454	5,130	91,239	5,541
	42,986,205	**42,986,205**	**47,411,933**	**25,190,009**
Advance from non-controlling interests			542,276	542,276
Total borrowings			**47,954,209**	**25,732,285**
of which due within 12 months			23,744,566	6,556,178
of which due after 12 months			24,209,643	19,176,107

Advance from non-controlling interests represent advance paid by the minority shareholder of Etisalat International Pakistan LLC (EIP) towards e&'s acquisition of its 26% stake in PTCL, net of repayments. The amount is interest free and is not repayable within 12 months from the statement of financial position date and accordingly the full amount is carried in non-current liabilities. The fair value of advance is not equivalent to its carrying value as it is interest-free. However, as the repayment dates are variable, a fair value cannot be reasonably determined.

External borrowings of AED 4,644 million (2021: AED 3,493 million) are secured by property, plant and equipment.

On 28 April 2014, e& had entered into multi-currency facilities agreement for EUR 3.15 billion (AED 15.9 billion) with a syndicate of local and international banks for the purpose of financing e&'s acquisition of its stake in Maroc Telecom. Financing consisted of two facilities: Tranche A was a twelve months bridge loan amounting to EUR 2.1 billion (AED 10.6 billion) at a price of Euribor plus 45 basis points for the first six months increased by 15 basis points in each of the following three months. Tranche B was a three year term loan amounting to EUR 1.05 billion (AED 5.3 billion) at a price of Euribor plus 87 basis points. Both these tranches have been settled in June 2014 following issuance of bonds as mentioned below.

On 22 May 2014, e& completed the listing of USD 7 billion (AED 25.7 billion) Global Medium Term Note (GMTN) programme which will be used to meet medium to long-term funding requirements on the Irish Stock Exchange (""ISE""). Under the programme, e& can issue one or more series of conventional bonds in any currency and amount up to USD 7 billion. The listed programme was rated Aa3 by Moody's, AA- by Standard & Poor's and A+ by Fitch rating.

On 11 June 2014, e& issued the inaugural bonds under the GMTN programme. The issued bonds were denominated in US Dollars and Euros and consisted of four tranches:

a. 5 years tranche: USD 500 million with coupon rate of 2.375% per annum

b. 7 years tranche: EUR 1,200 million with coupon rate of 1.750% per annum

c. 10 years tranche: USD 500 million with coupon rate of 3.500% per annum

d. 12 years tranche: EUR 1,200 million with coupon rate of 2.750% per annum

The effective date for the bonds term was 18 June 2014. Net proceeds from the issuance of the bonds were used for repayment of previously outstanding facilities of EUR 3.15 billion.

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27. Borrowings (continued)

In May 2015, e& issued additional bonds amounting to USD 400 million under the existing USD 5 year tranches.

During 2019, e& fully repaid USD 900 million notes in accordance with their maturity profile.

In May 2021, e& issued 7 and 12 years bonds under its established USD 10 billion GMTN Programme amounting to EUR 500 million each with annual yields of 0.375 % and 0.875% respectively. The net proceeds from the issuance of the bonds have been used for the repayment of the existing 7-year tranche amounting to EUR 1.2 billion which matured in June 2021.

As at 31 December 2022, the total amounts in issue under GMTN programme split by currency are USD 0.5 billion (AED 1.84 billion) and Euro 2.2 billion (AED 8.6 billion) as follows:

	Nominal Value 2022 AED'000	Fair Value 2022 AED'000	Carrying Value 2022 AED'000
Bonds			
3.500% US dollar 500 million notes due 2024	1,836,250	1,802,757	1,830,760
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	1,959,503	1,654,584	1,950,381
0.875% Euro 500 million notes due 2033	1,959,503	1,447,641	1,926,196
2.750% Euro 1,200 million notes due 2026	4,702,806	4,593,231	4,666,862
At 31 December 2022	**10,458,062**	**9,498,213**	**10,374,199**
of which due after 12 months			-
of which due after 12 months			10,374,199

	Nominal Value 2021 AED'000	Fair Value 2021 AED'000	Carrying Value 2021 AED'000
Bonds			
3.500% US dollar 500 million notes due 2024	1,837,000	1,946,168	1,828,068
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	2,197,260	2,094,904	2,072,095
0.875% Euro 500 million notes due 2033	2,197,260	2,077,736	2,044,932
2.750% Euro 1,200 million notes due 2026	5,263,680	5,587,933	4,953,467
At 31 December 2022	**11,495,200**	**11,706,741**	**10,898,562**
of which due after 12 months			-
of which due after 12 months			10,898,562

The terms and conditions of e&'s bank and other borrowings are as follows:

	Year of last repayment	Currency	Interest rate	Carrying Value 2022 AED'000	Carrying Value 2021 AED'000
Variable interest borrowings					
Unsecured bank loans	2023	USD	SOFR + .35%	16,148,070	-
Unsecured bank loans	2025	AED	EIBOR 3M + 0.45%	5,465,808	-
Secured bank loans	2023-2026	USD	3M LIBOR and 1.7% to 2.05%	659,309	881,200
Unsecured bank loans	2023	EGP	Lending Corridor minus 0.15%to 0.5%	369,099	175,606
Unsecured bank loans	2023-2024	USD	3 Month Libor + 0.9%	2,658,237	2,657,925
Unsecured vendor financing	2023	PKR	6.43% to 9.34%	297,414	323,994
Unsecured short term bank borrowings	2022	EGP	Mid corridor	-	442,088
Secured bank loans	2023	PKR	KIBOR+0.05% to .15%	80,772	-
Secured short term bank borrowings	2023	PKR	3 Month KIBOR + (0.1% to 0.85%)	438,897	136,437
Unsecured bank loans	2023-2027	EGP	Lending Corridor plus 0.15% to 0.50%	255,886	-
Unsecured bank loans	2023-2024	AED	EIBOR + 0.55%	1,994,078	1,990,944
Secured bank loans	2023-2024	PKR	KIBOR- 0.1% & 1 Month KIBOR - 1%	39,399	-
Secured bank loans	2023-2027	PKR	6 Month KIBOR + (0.65% to 3.5%)	53,837	64,267
Secured bank loans	2023-2024	PKR	1 Month KIBOR (+ 0.85%)	329,513	-
Secured bank loans	2023-2029	PKR	3 Month KIBOR + (0.15% to 0.75%)	1,047,469	698,242
Unsecured bank loans	2024-2025	PKR	6 Month KIBOR -1% to +3.5%	22,589	43,748
Fixed interest borrowings					
Unsecured short term bank borrowings	2023	MAD	3.16% to 3.5%	3,109,170	3,469,679
Secured bank loans	2023	FCFA	5.25%	38,090	73,862
Secured short term bank borrowings	2023	FCFA	5.5% - 6.5%	118,556	46,234
Secured short term bank borrowings	2023	PKR	6.65%	60,050	35,043
Unsecured short term bank borrowings	2023	FCFA	6% to 8.5%	650,929	377,800
Unsecured bank loans	2028 onwards	FCFA	6% to 7.25%	327,177	504,321
Secured bank loans	2023-2030	FCFA	5.5% to 8%	680,346	665,462
Unsecured bank loans	2023-2027	FCFA	0% to 7%	814,877	733,985
Secured bank loans	2023-2027	PKR	0.95%-16.90%	1,081,353	861,193
Other borrowings					
Advance from non-controlling interest	N/A	USD	Interest free	542,276	542,276
Unsecured bonds	2024	USD	3.5%	1,830,761	1,828,068
Unsecured bonds	2026	EURO	2.8%	4,666,862	4,953,467
Unsecured bonds	2028	EURO	0.375%	1,950,381	2,072,095
Unsecured bonds	2033	EURO	0.875%	1,926,196	2,044,932
Others	Various	Various	Various	296,808	109,417
Total Borrowings				**47,954,209**	**25,732,285**

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27. Borrowings (continued)

a) Interest rates

The weighted average interest rate paid during the year on bank and other borrowings is set out below:

	2022	2021
Bank borrowings	4%	3%
Other borrowings	4%	2%

b) Available facilities

At 31 December 2022, e& had AED 26,568 million (2021: AED 1,975 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

c) Reconciliation of liabilities arising from financing activities

The table below details changes in e&'s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in e&'s consolidated statement of cash flows from financing activities.

	2022		2021	
	Borrowings AED'000	Lease liabilities AED'000	Borrowings AED'000	Lease liabilities AED'000
As at 1 January	25,732,285	2,654,050	26,701,020	2,784,878
Additions	-	1,777,247	-	661,847
Proceeds	30,439,982	-	10,639,273	-
Repayments during the year	(6,646,006)	(707,205)	(10,214,403)	(714,931)
Acquisition of a subsidiary	102,139	2,323	-	-
Exchange differences	(1,674,191)	(581,205)	(1,393,605)	(77,744)
As at 31 December	**47,954,209**	**3,145,210**	**25,732,285**	**2,654,050**

28. Hedge accounting and derivatives

In prior years, Euro bonds issued (refer to Note 27) and interest rate swap have been designated as net investment hedges and cash flow hedges respectively. The effective portion of the hedge instruments is reported in the other comprehensive income is as follow:

Effective part directly recognized in other comprehensive (loss) / income	2022 AED'000	2021 AED'000
Other comprehensive income / (loss) on net investment hedge	545,895	782,797
Other comprehensive income / (loss) on cash flow hedges	209,110	97,490
Total effective part directly recognised in other comprehensive income / (loss)	**755,005**	**880,287**
Fair value of derivative financial instruments		
Fair value of forward contracts and options	47,047	9,024
Fair value of derivative swaps	164,530	(44,513)
	211,577	**(35,489)**
These derivative financial instruments are included as following in the consolidated statement of financial position:		
Current assets	3,357	-
Non-current assets	208,220	5,171
Current liabilities	-	40,660
Net amount	**211,577**	**(35,489)**

The fair value of bonds designated as hedge is disclosed in Note 27.

e& has received cash of AED 1.9 million (2021: AED 3.4 million) on maturity of derivatives during the year.

29. Payables related to investments and licenses

	Current AED'000	Non-current AED'000	Total AED'000
At 31 December 2022			
Investments			
Atlantique Telecom S.A.	11,022	-	11,022
Help AG	-	77,089	77,089
Licenses			
Green Peregrine Holdings Limited	-	4,760	4,760
PTCL Group	2,664	220,401	223,065
	13,686	**302,250**	**315,936**
At 31 December 2021			
Investments			
Atlantique Telecom S.A.	11,022	-	11,022
Help AG	-	75,096	75,096
Licenses			
PTCL Group	100,250	437,849	538,099
	111,272	**512,945**	**624,217**

All amounts payable on acquisitions are financial liabilities measured at amortised cost and are mostly denominated in either USD, AED or PKR.

30. Lease liabilities

i) e& as a lessee

Details of e&'s lease liabilities are as follows:

	Carrying Value	
	2022 AED'000	2021 AED'000
Contractual undiscounted cash flow		
Within one year	693,973	594,840
Between 2 and 5 years	1,919,223	1,756,965
After 5 years	1,879,824	2,012,210
Total undiscounted lease liabilities	**4,493,020**	**4,364,015**
Lease liabilities included in the consolidated statement of financial position		
of which due within 12 months	542,233	544,777
of which due after 12 months	2,602,977	2,109,273

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30. Lease liabilities (continued)

It is e& policy to lease certain of its plant and machinery under finance leases. For the year ended 31 December 2022, the average effective borrowing rate was from 2.27% to 17.22% (2021: 2.51% to 18.33%). The fair value of e&'s lease obligations is approximately equal to their carrying value.

Amounts recognized in profit or loss

	2022 AED'000	2021 AED'000
Interest on lease liabilities	274,404	249,099
Expenses relating to short-term leases	6,693	782

Amounts recognized in the statement of cash flow

	2022 AED'000	2021 AED'000
Total cash outflow from leases	707,205	714,931

31. Provisions

	Asset retirement obligations AED'000	Other AED'000	Total AED'000
At 1 January 2021	257,637	4,740,181	4,997,818
Additional provision during the year	39,124	527,680	566,804
Utilization of provision	(536)	(490,909)	(491,445)
Release of provision	-	(368,232)	(368,232)
Unwinding of discount and other adjustments	8,385	(18,192)	(9,807)
Exchange differences	25	(47,520)	(47,495)
At 31 December 2021	**304,635**	**4,343,008**	**4,647,643**
Included in current liabilities	-	4,270,082	4,270,082
Included in non-current liabilities	304,635	72,926	377,561
At 1 January 2022	**304,635**	**4,343,008**	**4,647,643**
Additional provision during the year	8,519	1,368,782	1,377,301
Utilization of provision	(1,023)	(415,935)	(416,958)
Release of provision	-	(51,934)	(51,934)
Unwinding of discount	9,668	4,499	14,167
Exchange differences	(8,836)	(151,029)	(159,865)
At 31 December 2022	**312,963**	**5,097,391**	**5,410,354**
Included in current liabilities	-	5,028,677	5,028,677
Included in non-current liabilities	312,963	68,714	381,677
At 31 December 2022	**312,963**	**5,097,391**	**5,410,354**

Asset retirement obligations relate to certain assets held by certain Group's overseas subsidiaries that will require restoration at a future date that has been approximated to be equal to the end of the useful economic life of the assets. There are no expected reimbursements for these amounts.

"Other" includes provisions relating to certain tax and other regulatory related items, including provisions relating to certain Group's overseas subsidiaries. Information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets has not been disclosed in these consolidated financial statements due to commercial sensitivities.

Furthermore, e& had a balance payable of AED 2,937 million to the Government of Pakistan (the "GoP"), the payment of which is subject to the fulfillment of certain conditions in the share purchase agreement relating to the transfer of certain assets to PTCL. In 2019, after having considered its contractual rights, e& assessed its best estimate of this balance payable and released an amount of AED 1,469 million to profit or loss and maintained remaining provision of AED 1,468 million, the estimate of which remains valid as at 31 December 2022.

32. Provision for employees' end of service benefits

The liabilities recognised in the consolidated statement of financial position are:

	2022 AED'000	2021 AED'000
Funded Plans		
Present value of defined benefit obligations	2,243,500	2,756,820
Less: Fair value of plan assets	(2,241,024)	(2,749,724)
	2,476	**7,096**
Unfunded Plans		
Present value of defined benefit obligations and other employee benefits	1,276,938	1,327,733
Total	**1,279,414**	**1,334,829**
of which included in current liabilities	113,280	110,946
of which included in non-current liabilities	1,166,134	1,223,883

The movement in defined benefit obligations for funded and unfunded plans is as follows:

	2022 AED'000	2021 AED'000
As at 1 January	4,084,553	4,218,984
Acquisition of subsidiary (Note 41)	12,131	-
Current service cost	115,564	90,652
Interest cost	293,146	323,158
Actuarial (gain)/loss arising from changes in assumptions	(20,266)	25,844
Remeasurements	38,611	44,973
Benefits paid	(268,198)	(290,990)
Exchange differences	(735,103)	(328,068)
As at 31 December	**3,520,438**	**4,084,553**

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32. Provision for employees' end of service benefits (continued)

The movement in the fair value of plan assets is as follows:

	2022 AED'000	2021 AED'000
As at 1 January	2,749,724	2,921,615
Interest income	227,531	256,819
Return on plan assets excluding amounts included in interest income	43,153	9,958
Contributions received	21,723	18,494
Benefits paid	(177,705)	(194,842)
Exchange differences	(623,402)	(262,320)
As at 31 December	**2,241,024**	**2,749,724**

The amount recognised in the statement of profit or loss is as follows:

	2022 AED'000	2021 AED'000
Current service cost	115,564	90,652
Net interest cost	65,615	66,339
	181,179	**156,991**

Plan assets for funded plan are comprised as follows:

	2022 AED'000	2021 AED'000
Debt instruments - unquoted	1,231,413	2,005,284
Cash and cash equivalents	682,075	394,844
Investment property	200,783	258,328
Fixed assets	155	148
Other assets	149,223	120,375
Less: liabilities	(22,625)	(29,255)
	2,241,024	**2,749,724**

Following are the significant assumptions used relating to the major plans:

	2022 AED'000	2021 AED'000
Discount rate	4.1% to 12.5%	2% to 12.5%
Average annual growth rate of salary	1% to 10.25%	1% to 11.25%
Average duration of obligation	5 Years to 20 Years	5 Years to 23 Years
Expected withdrawal rate	1) High; service based rate 2) Based on experience	1) High; service based rate 2) Based on experience
Mortality Rate	0.33%	0.33%

Sensitivity Analysis

The calculations of the defined benefit obligations are sensitive to the significant actuarial assumptions set out above. The table below summarizes how the defined benefit obligations at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions.

	Decrease by Assumption rate of 0.5%		Increase by Assumption rate of 0.5%	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Discount rate	703,083	668,518	(656,201)	(621,093)
Average annual growth rate of salary	(578,750)	(514,142)	612,857	577,501

Through its defined benefit plans, e& is exposed to a number of actuarial and investment risks, the most significant of which include, interest rate risk, property market risk, longevity risk plan, withdrawal risk and salary risk for all the plans.

During the next financial year, the minimum expected contribution to be paid by e& is AED 54 million. This is the amount by which liability is expected to increase. The amount of remeasurement, to be recognised in the next one year, will be worked out as at the next valuation.

Debt instrument comprises of bonds issued by Government of Pakistan and are rated B-, based on (Fitch rating agency) ratings.

The expense recognised in profit or loss relating to defined contribution plan at the rate specified in the rules of the plans amounting to AED 142 million (2021: AED 124 million).

33. Share capital

	2022 AED'000	2021 AED'000
Authorised:		
10,000 million (2021: 10,000 million) ordinary shares of AED 1 each	10,000,000	10,000,000
Issued and fully paid up:		
8,696.8 million (2021: 8,696.8 million) ordinary shares of AED 1 each	8,696,754	8,696,754

On 21 March 2018, the Etisalat Annual General Meeting approved the Company's buyback of its shares within a maximum of 5% of its paid-up capital, for the purpose of cancelling or re-selling such shares, after obtaining approval of competent authorities. The Company obtained the approval from the securities and commodities Authority on 24 September 2018 and subsequently renewed on 13 October 2019 to buyback 5% of the subscribed shares which amounted to 434,837,700 shares.

On 22 February 2021, the Board of Directors proposed the cancellation of the share buyback program and instead proposed a one-time special dividend of AED 0.40 per share which were both approved in the Etisalat Annual General Meeting held on 17 March 2021.

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34. Reserves

The movement in the reserves is provided below:

	2022 AED'000	2021 AED'000
Balance at 1 January	28,598,188	28,400,580
Total comprehensive income for the year	(8,399,796)	71,938
Transfer from retained earnings	42,100	124,406
Other movements	(368)	1,264
As at 31 December	**20,240,124**	**28,598,188**

The movement for each type of reserves is provided below:

	2022 AED'000	2021 AED'000
Translation reserve		
As at 1 January	(7,094,381)	(7,052,939)
Exchange differences on translation of foreign operations	(3,450,702)	(625,967)
Acquisition of non-controlling interests without a change in control	-	(198,272)
Gain / (loss) on hedging instruments designated in hedges of the net assets of foreign operations	545,895	782,797
As at 31 December	**(9,999,188)**	**(7,094,381)**
Investment revaluation reserve		
As at 1 January	44,079	38,414
(Loss) / gain on revaluation	(5,736,557)	4,401
Other movements	(368)	1,264
Transfer from investment revaluation reserve to retained earnings	(45,002)	-
As at 31 December	**(5,737,848)**	**44,079**
Development reserve	**7,850,000**	**7,850,000**
Cash flow hedge reserve		
As at 1 January	(51,409)	(160,388)
Gain / (loss) on revaluation	241,568	108,979
As at 31 December	**190,159**	**(51,409)**
Asset replacement reserve	**8,281,600**	**8,281,600**
Statutory reserve		
As at 1 January	5,473,544	5,349,138
Transfer from retained earnings	87,102	124,406
As at 31 December	**5,560,646**	**5,473,544**
General reserve	**14,094,756**	**14,094,756**

a) Development reserve, asset replacement reserve and general reserve

These reserves are all distributable reserves and comprise amounts transferred from unappropriated profit at the discretion of e& to hold reserve amounts for future activities including the issuance of bonus shares.

b) Statutory reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021, and the respective Articles of Association of some of e&'s subsidiaries, 10% of their respective annual profits should be transferred to a non-distributable statutory reserve. The Company's share of the reserve has accordingly been disclosed in the consolidated statement of changes in equity.

c) Translation reserve

Cumulative foreign exchange differences arising on the translation of overseas operations are taken to the translation reserve.

d) Investment revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal.

35. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases of recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Capital management

e&'s capital structure is as follows:

	2022 AED'000	2021 AED'000
Bank borrowings	(36,649,081)	(13,961,912)
Bonds	(10,374,199)	(10,898,562)
Other borrowings	(930,929)	(871,811)
Lease liabilities	(3,145,210)	(2,654,050)
Cash and bank balances	32,839,482	28,575,372
Net funds	**(18,259,937)**	**189,037**
Total equity	49,999,100	57,563,822

The capital structure of e& consists of bonds, bank and other borrowings, finance lease obligations, cash and bank balances and total equity comprising share capital, reserves and retained earnings.

e& monitors the balance between equity and debt financing and establishes internal limits on the maximum amount of debt relative to earnings. The limits are assessed, and revised as deemed appropriate, based on various considerations including the anticipated funding requirements of e& and the weighted average cost of capital. The overall objective is to maximise returns to its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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35. Financial instruments (continued)

Categories of financial instruments

e&'s financial assets and liabilities consist of the following:

	2022 AED'000
Financial assets	
Amortised cost financial assets:	
Due from related parties	112,319
Finance lease receivables	1,333,714
Trade and other receivables, excluding prepayments and advances to suppliers	14,220,012
Cash and bank balances	32,839,482
Investment carried at amortised cost	3,069,252
	51,574,779
Financial assets carried at fair value through OCI	12,966,377
Fair value through profit or loss	2,087,018
	66,628,174
Financial liabilities	
Other financial liabilities held at amortised cost:	
Trade and other payables, excluding deferred revenue and advances from customers	31,286,984
Borrowings	47,954,209
Payables related to investments and licenses	315,936
Lease liabilities	3,145,210
	82,702,339

e&'s financial assets and liabilities consist of the following:

	2021 AED'000
Financial assets	
Amortised cost financial assets:	
Due from related parties	82,026
Finance lease receivables	148,953
Trade and other receivables, excluding prepayments and advances to suppliers	13,171,422
Cash and bank balances	28,575,372
Investment carried at amortised cost	2,862,151
	44,839,924
Financial assets carried at fair value through OCI	197,414
Fair value through profit or loss	971,837
	46,009,175
Financial liabilities	
Other financial liabilities held at amortised cost:	
Trade and other payables, excluding deferred revenue and advances from customers	29,407,524
Borrowings	25,732,285
Payables related to investments and licenses	624,217
Lease liabilities	2,654,050
Due to related parties	4,733
Derivative financial instruments	40,660
	58,463,469

Financial risk management objectives

e&'s corporate finance function monitors the domestic and international financial markets relevant to managing the financial risks relating to the operations of e&. Any significant decisions about whether to invest, borrow funds or purchase derivative financial instruments are approved by either the Board of Directors or the relevant authority of either e& or of the individual subsidiary. e&'s risk includes market risk, credit risk and liquidity risk.

e& takes into consideration several factors when determining its capital structure with the aim of ensuring sustainability of the business and maximizing the value to shareholders. e& monitors its cost of capital with a goal of optimizing its capital structure. In order to do this, e& monitors the financial markets and updates to standard industry approaches for calculating weighted average cost of capital, or WACC. e& also monitors a net financial debt ratio to obtain and maintain the desired credit rating over the medium term, and with which e& can match the potential cash flow generation with the alternative uses that could arise at all times. These general principles are refined by other considerations and the application of specific variables, such as country risk in the broadest sense, or the volatility in cash flow generation, or the applicable tax rules, when determining e&'s financial structure.

a) Market risk

e&'s activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and price risks on equity investments. From time to time, e& will use derivative financial instruments to hedge its exposure to currency risk. There has been no material change to e&'s exposure to market risks or the manner in which it manages and measures the risk during the year.

Foreign currency risk

The Company's presentation/functional currency is United Arab Emirates Dirham ("AED"). Foreign currency risk arises from transactions denominated in foreign currencies and net investments in foreign operations.

e& has foreign currency transactional exposure to exchange rate risk as it enters into contracts in other than the functional currency of the entity (mainly USD and Euro). e& entities also enter into contracts in it's functional currencies including Egyptian Pounds, Pakistani Rupee, Afghani, and

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35. Financial instruments (continued)

Moroccan Dirham. Etisalat UAE also enters into contracts in USD which is pegged to AED. Atlantique Telecom Group enters into Euros contracts as Central African Franc ("CFA") is pegged to Euro and Maroc Telecom also enters into Euro contracts as Moroccan Dirham is 60% pegged to Euro. e& enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts, interest rate swaps and cross currency swaps.

In addition to transactional foreign currency exposure, a foreign currency exposure arises from net investments in e& entities whose functional currency differs from e&'s presentation currency (AED). The risk is defined as the risk of fluctuation in spot exchange rates between the functional currency of the net investments and e&'s presentation currency. This will cause the amount of the net investment to vary. Such a risk may have a significant impact on e&'s consolidated financial statements.

This translation risk does not give rise to a cash flow exposure. Its impact arises only from the translation of the net investment into e&'s presentation currency. This procedure is required in preparing e&'s consolidated financial statements as per the applicable IFRS.

The cross currency swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Company's functional currency. The fair value of a cross currency swap is determined using standard methods to value cross currency swaps and is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. The key inputs are the yield curves, basis curves and foreign exchange rates. In accordance with the fair value hierarchy within IFRS 7 Financial Instruments: Disclosure, the fair value of cross currency swaps represent Level 2 fair values.

Foreign currency sensitivity

The following table presents e&'s sensitivity to a 10 per cent change in the AED against the Egyptian Pound, the Euro, the Pakistani Rupee, Moroccan Dirham and Central African Franc. These five currencies account for a significant portion of the impact of net profit, which is considered to be material within e&'s financial statements in respect of subsidiaries and associates whose functional currency is not the AED. The impact has been determined by assuming a weakening in the foreign currency exchange of 10% upon closing foreign exchange rates. A positive number indicates an increase in the net cash and borrowings balance if the AED/USD were to strengthen against the foreign currency.

	Impact on profit and loss		Impact on equity	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Increase in profit and in equity				
Egyptian pounds	270	39,147	-	-
Euros	(3,788)	(1,656)	854,344	907,049
Pakistani rupees	327,060	96,047	-	-
Moroccan Dirhams	305,966	340,314	-	-
Central African Franc	218,527	175,065	-	-

Interest rate risk

e& is exposed to interest rate risk as entities in e& borrow funds at both fixed and floating interest rates. e& monitors the market interest rates in comparison to its current borrowing rates and determines whether or not it believes it should take action related to the current interest rates. This includes a consideration of the current cost of borrowing, the projected future interest rates, the cost and availability of derivate financial instruments that could be used to alter the nature of the interest and the term of the debt and, if applicable, the period for which the interest rate is currently fixed.

Interest rate sensitivity

Based on the borrowings outstanding at 31 December 2022, if interest rates had been 2% higher or lower during the year and all other variables were held constant, e&'s net profit and equity would have decreased or increased by AED 406 million (2021: AED 144 million). This impact is primarily attributable to e&'s exposure to interest rates on its variable rate borrowings.

Other price risk

e& is exposed to equity price risks arising from its unlisted and listed equity investments. Equity investments are mainly held for trading purposes and held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. See Note 18 for further details on the carrying value of these investments

If equity price had been 5% higher or lower:

- profit for the year ended 31 December 2022 would increase/decrease by AED 6.6 million (2021: AED nil) due to changes in fair value recorded in profit/loss for equity shares classified as fair value through profit and loss.
- other comprehensive income for the year ended 31 December 2022 would increase/decrease by AED 616 million (2021: increase/decrease by AED 4.95 million) as a result of the changes in fair value of equity shares classified as FVTOCI.

b) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to e& and arises principally from e&'s bank balances and trade and other receivables. e& has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. e&'s exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For its surplus cash investments, e& considers various factors in determining with which banks and /corporate to invest its money including but not limited to the financial health, Government ownership (if any), the rating of the bank by rating agencies The assessment of the banks and the amount to be invested in each bank is assessed annually or when there are significant changes in the marketplace.

Group's bank balance	2022 AED'000	2021 AED'000
Investment in UAE	78%	82%
Investment outside of the UAE	22%	18%

	2022		2021	
Bank rating for Investment in UAE	AED	Rating	AED	Rating
By Moody's	.9 billion	A3	2.7 billion	A3
	3.9 billion	Baa1	1.4 billion	Baa1
	8.9 billion	A1	2.5 billion	A1
	13.2 billion	Aa3		
	2.6 billion	A2		
By S&P		AA-	0.3 billion	AA-
		A-	0.6 billion	A-

e&'s trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, collateral is received from customers usually in the form of a cash deposit.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows :

	2022 AED'000	2021 AED'000
Allowances on trade receivables and contract assets	757,287	906,530
Allowances on due from other telecommunication operators/carriers	41,704	139,555
Allowance on finance lease receivables	4,479	23,125
Total loss on allowances	**803,470**	**1,069,210**

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35. Financial instruments (continued)

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

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of e&'s short, medium and long-term funding and liquidity management requirements. e& manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The details of the available undrawn facilities that e& has at its disposal at 31 December 2022 to further reduce liquidity risk is included in Note 27. The majority of e&'s financial liabilities as detailed in the consolidated statement of financial position are due within one year.

Financial liabilities are repayable as follows:

AED'000	Trade and other payables*	Borrowings	Payables related to investments and licenses	Lease liabilities	Derivative financial liabilities	Total
On demand or within one year	30,039,744	23,949,092	13,686	693,973	-	54,696,495
In the second year	880,846	7,898,726	21,274	470,441	121,441	9,392,728
In the third to fifth years inclusive	328,085	12,681,711	284,288	1,448,782	54,566	14,797,432
After the fifth year	38,309	4,177,625	-	1,879,824	-	6,095,758
As At 31 December 2022	**31,286,984**	**48,707,154**	**319,248**	**4,493,020**	**176,007**	**84,982,413**
On demand or within one year	28,042,024	6,556,175	112,918	594,840	-	35,305,957
In the second year	486,465	1,372,085	61,037	422,379	-	2,341,966
In the third to fifth years inclusive	806,283	13,404,618	450,811	1,334,586	131,538	16,127,836
After the fifth year	72,752	4,518,498	12,417	2,012,210	-	6,615,877
As At 31 December 2021	**29,407,524**	**25,851,376**	**637,183**	**4,364,015**	**131,538**	**60,391,636**

The above table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which e& can be required to pay. The table includes both interest and principal cash flows.

*Trade and other payables exclude deferred revenue and advances from customers

d) Fair value measurement of financial assets and liabilities

	Carrying value AED'000	Fair value hierarchy as at 31 December 2022 Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets					
Finance lease receivables	1,333,714	-	1,320,177	-	1,320,177
Investment carried at amortised cost	3,069,252	2,115,688	92,192	640,160	2,848,041
Financial assets classified at fair value through OCI	12,966,377	12,109,673	582,435	274,269	12,966,377
Financial assets carried at fair value through profit or loss	2,087,018	725,146	1,326,910	34,962	2,087,018
	19,456,361	**14,950,507**	**3,321,715**	**949,391**	**19,221,613**
Financial liabilities					
Borrowings	47,954,209	9,498,213	34,030,268	-	43,528,481
Lease liabilities	3,145,210	-	3,145,210	-	3,145,210
	51,099,419	**9,498,213**	**37,175,478**	**-**	**46,673,691**

	Carrying value AED'000	Fair value hierarchy as at 31 December 2021 Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets					
Finance lease receivables	148,953	-	216,358	-	216,358
Investment carried at amortised cost	2,862,151	2,495,609	140,435	262,233	2,898,277
Financial assets classified at fair value through OCI	197,414	-	-	197,414	197,414
Financial assets carried at fair value through profit or loss	971,837	409,662	511,975	50,200	971,837
	4,180,355	**2,905,271**	**868,768**	**509,847**	**4,283,886**
Financial liabilities					
Borrowings	25,732,285	11,706,741	13,754,542	-	25,461,283
Lease liabilities	2,654,050	-	2,654,050	-	2,654,050
Derivative financial liabilities	40,660	-	40,660	-	40,660
	28,426,995	**11,706,741**	**16,449,252**	**-**	**28,155,993**

Level 1 classification comprises financial instruments where fair value is determined by unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 classification comprises unobservable inputs.

Some of e&'s financial assets and liabilities are measured at fair value or for which fair values are disclosed. Information on how these fair values are determined are provided below:

- Borrowings are measured and recorded in the consolidated statement of financial position at amortised cost and their fair values are disclosed in Note 27.
- Derivative financial instrument fair values are present values determined from future cash flows discounted at rates derived from market sourced data.
- Fair value of listed securities and Sukuks are derived from observable quoted market prices for similar items. These represent Level 1 fair values. Unquoted equity securities represent Level 3 fair values. Details are included in Note 18 "Other investments".

The carrying amounts of the other financial assets and liabilities recorded in the consolidated financial statements approximate their fair values.

The fair value of other investments amounting to AED 949 million (2021: AED 510 million) are classified as Level 3 because the investments are not listed and there are no recent arm's length transactions in the shares. The valuation technique applied is internally prepared valuation models using future cash flows discounted at average market rates. Any significant change in these inputs would change the fair value of these investments.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on cash flows discounted at rates derived from market sourced data.

Reconciliation of Level 3

	2022 AED'000	2021 AED'000
As at 1 January	509,847	460,210
Additions	421,287	38,133
Foreign exchange difference	(23,432)	(22,670)
Disposal	(121,600)	(1,251)
Revaluation	163,289	35,425
As at 31 December	**949,391**	**509,847**

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36. Commitments

a) Capital commitments

e& has approved future capital projects and investments commitments to the extent of AED 3,703 million (2021: AED 4,755 million).

e& has issued letters of credit amounting to AED 440 million (2021: AED 489 million).

37. Contingent liabilities

a) Bank guarantees

	2022 AED million	2021 AED million
Performance bonds and guarantees in relation to contracts	3,343	3,262
Companies Overseas investments	3,073	3,068

b) Other contingent liabilities

(i) e& and its associates are disputing certain charges from the governmental and telecom regulatory agencies and telecom operators in certain International jurisdictions but do not expect any material adverse effect on e&'s financial position and results from resolution of these disputes.

(ii) In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on 12 June 2015 the Apex Court decided the case in the interest of pensioners.

On 13 July 2015, Review Petitions were filed in Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the "Review Petitioners") against the Supreme Court Judgment.

The Supreme Court disposed the Review Petitions and directed the Review Petitioners to seek remedy under section 12(2) of the Civil Procedure Code (the "CPC"), and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts.

The decision of the Appeals bench of the Supreme Court on 10 May 2018 clarified that voluntary separation scheme ("VSS") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. Notwithstanding this development, many retirees, including VSS pensioners, have continued to submit petitions before the Supreme Court. The Chief Justice of Pakistan has decided to bring the matter back for a rehearing by the Supreme Court.

Separately, the Islamabad High Court (IHC) issued a decision on 3 March 2020, in which it upheld the rights of certain retirees ("T&T retirees") to benefit from periodic government increases in pensions and additional benefits, although it also held that the same did not apply to the VSS pensioners.

In response, PTCL and PTET raised an Intra Court Appeal against the exemption granted to the T&T retirees before the Divisional Bench at the Islamabad High Court. On 24 September 2020, the Intra Court appeals were adjourned for consolidation of all Intra court Intra Court appeals before one bench. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET and postponed the case until 14 July 2021.

Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Supreme court within the limitation.

The management of PTCL, on the advice of their lawyers, believes that PTCL's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunications (Re-Organization) Act, 1996 and the Pension Trust rules of 2012 and accordingly, no provision has been recognized in this condensed consolidated interim financial information in respect of these proceedings.

(iii) Pursuant to the restatement of Etihad Etisalat Company (Mobily) of its 2014 Financial statement, aggrieved shareholders have submitted 94 claims totaling SAR 1.907 billion (US$508million) against the 2013/2014 members of the Mobily Board (the "Defendants") and Mobily executives (the "Executives"), and these have been filed with the CRSD.

Some of the named Defendants were nominated, by Etisalat to the 2013/14 Mobily Board. Pursuant to such nomination, these individuals are entitled to be indemnified by Etisalat for any loss or damages due to third parties made against them.

The first substantial decision in relation to such claims was issued by the CRSD in November 2020, and subsequently upheld at the Appellate level (ACRSD) in a final and binding decision issued in late December 2020. The decision exonerated the Defendants and found former members of the Mobily executives liable to compensate shareholders for violating article 49a of the Capital Market Law.

This ruling has been reflected in further shareholder cases being dismissed and the CRSD finding that the former members of the board were not liable for any losses claimed by the shareholders.

Latest developments:

- 52 shareholders claims have been dismissed (final decisions) by the CRSD/ACRSD during 2021/2022 for a total value of US$ 380 million/SAR 1.427 billion
- there are still 8 claims pending decision before the CRSD (no decision yet) for a total value of (US$ 41.73 million)
- 1 claim expected to be appealed before ACRSD for a value of US$ 51.5 thousand

(iv) On 16 December 2021, Maroc Telecom received a notice from the Commercial Court of Rabat regarding a complaint filed by Wana on unbundling and claiming MAD 6,845 million. The case is ongoing and the Court has appointed experts to present a report to the Court.

(v) Under the REMACOTEM dispute (association of consumers of mobile networks in Mali), the Civil Court had dismissed the plaintiff in 2013, for the alleged damages suffered.

On 3 November 2021, the Bamako Court of Appeal set the total amount of damages claimed by REMACOTEM from 2011 to 2020 at MAD 2,823 million, including MAD 933 million for Sotelma, a subsidiary 51% owned by Maroc Telecom. Sotelma replied through its lawyers and a hearing was requested to annul the said judgment as well as its execution. Proceedings are ongoing before the Supreme Court.

38. Dividends

Amounts recognised as distribution to equity holders:

	AED'000
31 December 2021	
Interim dividend for the year ended 31 December 2021 of AED 0.40 per share	3,477,198
Final dividend for the year ended 31 December 2020 of AED 0.40 per share	3,477,198
One-time special dividend for the year ended 31 December 2020 of AED 0.40 per share	3,477,198
	10,431,594
31 December 2022	
First interim dividend for the year ending 31 December 2022 of AED 0.40 per share	3,477,198
Final dividend for the year ended 31 December 2021 of AED 0.40 per share	3,477,198
	6,954,396

An interim dividend of AED 0.4 per share was declared by the Board of Directors on 1 August 2022 for the year ended 31 December 2022.

On 6 March 2023, the Board of Directors proposed a final dividend of AED 0.40 per share for the year ended 31 December 2022, bringing total dividends per share to AED 0.80 for the year.

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39. Earnings per share

	2022	2021
Earnings (AED'000)		
Earnings for the purposes of basic earnings per share being the profit attributable to the equity holders of the Company	10,007,361	9,317,045
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	8,696,754	8,696,754
Earnings per share		
Basic and diluted	AED 1.15	AED 1.07

40. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when, and only when, 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 criteria of legal enforceable right of set-off should be applicable in the normal course of business, in the event of default and in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The following table presents the recognised financial assets and liabilities that are offset, as at 31 December 2022 and 31 December 2021.

2022	Gross amounts AED '000	Gross amounts set off AED '000	Net amount presented AED '000
Financial assets			
Amounts due from other telecommunication operators/carriers	9,272,321	(6,155,775)	3,116,546
Financial liabilities			
Amounts due to other telecommunication administrators	9,642,971	(6,155,775)	3,487,196

2021	Gross amounts AED '000	Gross amounts set off AED '000	Net amount presented AED '000
Financial assets			
Amounts due from other telecommunication operators/carriers	7,805,243	(5,243,764)	2,561,479
Financial liabilities			
Amounts due to other telecommunication administrators	8,289,387	(5,243,764)	3,045,623

41. Acquisition of subsidiaries

41.1. Acquisition of Digital Financial Services LLC (DFS)

On 9 December 2021, e& completed the acquisition of additional 50.01% stake in DFS, which was an associate, bringing its total shareholding in DFS to 100%.

41.1 (a). Identifiable assets acquired and liabilities assumed

During the year, e& has completed the fair valuation of identifiable assets acquired and liabilities assumed which is summarized in the following table:

	AED'000
Intangible assets	15,052
Property, plant and equipment	10,124
Trade and other receivables	198
DFS wallet account balance	801
Bank and cash balances	17,660
Input VAT	1,070
Output VAT	(105)
Accrued Liabilities	(16,873)
Capex payable	(3,318)
Net identifiable assets acquired	**24,609**
Goodwill	125,376
Fair value of investment	**149,985**

41.2. Acquisition of subsidiaries in 2022

a) On 28 January 2022, e& has completed the acquisition of 100% shareholding in elGrocer DMCC after satisfying all conditions precedent and completion deliverables pursuant to an agreement signed with elGrocer LTD against a consideration not exceeding AED 38 million.

elGrocer DMCC has been fully consolidated in this consolidated financial statements effective from the acquisition date of 28 January 2022.

b) On 20 May 2022, Etisalat Group completed the acquisition of the remaining 50% shareholding in Smart Technology Services DWC LLC "Smart World" for an amount of AED 30 million.

c) On 17 October 2022, the consortium comprising Emirates Cable TV and Multimedia (E-Vision), subsidiary of e&, and ADQ, an Abu Dhabi-based investment and holding company, has successfully completed the acquisition of circa 57% of Playco Holding Limited "Starzplay", a leading Subscription Video on Demand (SVOD) and streaming service provider in the Middle East and North Africa (MENA).

41.2 (a). Identifiable assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired and liabilities assumed:

	Provisional Fair Values		elGrocer DMCC	
	Starzplay AED'000	Smart World AED'000	AED'000	Total AED'000
Intangible assets	408,732	278	2,262	411,272
Property, plant and equipment	1,147	1,074	193	2,414
Right-of-use assets	-	2,599	-	2,599
Trade and other receivables	255,621	108,035	1,719	365,375
Inventories	-	4,983	-	4,983
Bank and cash balances	201,921	6,195	2,076	210,192
Trade and other payables	(420,221)	(37,118)	(1,499)	(458,838)
Provision for employees' end of service benefits	(5,808)	(6,323)	-	(12,131)
Borrowings	(91,239)	(10,900)	-	(102,139)
Lease liabilities	-	(2,323)	-	(2,323)
Net identifiable assets acquired	**350,153**	**66,500**	**4,751**	**421,404**
Non-controlling interest	(218,232)	-	-	(218,232)
Goodwill recognised on the basis of fair valuation	460,731	-	32,334	493,065
Fair value of investment	**592,652**	**66,500**	**37,085**	**696,237**

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42. Assets held-for-sale

On 20 October 2021, e& signed a binding agreement with Group42 (G42) to combine their data centers businesses in the United Arab Emirates through creation of a new entity (NewCo) in which e& will own 40% of shareholding while G42 will own the remaining 60% (the transaction). Upon completion of the transaction, NewCo will be accounted for using the equity method of accounting. Closing of the transaction is subject to customary closing conditions, including finalization of transaction documentation, regulatory approvals and certain administrative procedures.

In accordance with IFRS 5, the related data center assets have been extracted and reclassified in the consolidated statement of financial position from property, plant and equipment to assets held-for-sale as at 31 December 2021. Such assets have been presented at the lower of their carrying amount and fair value less costs to sell.

43. Subsequent events

Subsequent events, other than that disclosed in note 38, are disclosed as follows:
On the 14 February 2023, e& has completed the acquisition of Service Souk DMCC "ServiceMarket", acquiring 100% of shareholding of the online marketplace. The acquisition value of ServiceMarket will not exceed AED 81 million, including payment linked to business performance portion due over a period of time.

44. Reclassification

Certain corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation.